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INNOVATION POLICY AND SUPPORT MECHANISMS FOR INNOVATION IN THE PACIFIC REGION: AN ASSESSMENT AND THE WAY FORWARD

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1. Introduction

This Report is the final deliverable for WP4 of PACENET Plus, a project coordinated by the Institut de recherche pour le développement (IRD) and funded by the European Commission Framework 7 programme.

The objective of this Report is to identifying policy recommendations that will stimulate academic, private and public sector, non-governmental organizations and other relevant stakeholders from both the EU and the Pacific to engage and cooperate in innovation processes and that will ensure the achievement of sustainable innovation objectives.

The Report is articulated in two main parts. In the first part, the Report provides a detailed assessment of the status of innovation policy and support mechanisms for innovation in the Pacific region. The Report presents an analysis of the existing policies directed to support innovation (including fiscal measures and those related to investment, trade, training, research and development, intellectual property protection, standard and public procurement). In particular, the focus is on policies affecting the mineral and natural resources sector, biodiversity, and the processing and manufacturing sectors. The Report also discusses the obstacles to the effectiveness of these measures at the policy, bureaucratic, and regulatory level. This analysis provides an important input for policy discussion and a stepping-stone for entrepreneurs interested in investing in the Pacific.

In the second part, the Report presents a set of suggestions on how to improve policies, instruments, and practices for supporting innovation in the Pacific region. These suggestions are derived making use of the results of the legislation review, the results from previous research (especially the Assessment Report, D4.1), and the analysis of international best practises. The suggestions concern both the process and the content of innovation policy. In this way, the Report provides practical recommendations to policy makers on how to make more effective current government policies and support measures in promoting innovation and how to design new ones. Finally, the Report discusses how the EU can contribute to improving the policy making process to create mutually beneficially opportunities for innovation activities in the Pacific region.

In developing our analysis, we use and combine different sources of information. Our project partners (CNRT, LCR, and SPI) have collected most of the information on country legislation. Each of them has produced a Report focusing on the legislation in Pacific countries for specific sectors. The three Reports are included as Appendix to this Report. The analysis of the current status of innovation policy in the Pacific is based on these very rich and detailed accounts. In

our analysis, we also use the results from our previous research. In particular, we use the information from the stakeholders' interview and firm innovation survey we have conducted in the Pacific region during the period 2014-2016.¹

The Report proceeds as follows. In Section 2, it is presented the overview of the current status of innovation policy in the Pacific region. In Section 3, it is discussed a set of suggestions on how to improve policy making in Pacific countries. Section 4 illustrates how EU can support Pacific countries in the design and implementation of effective innovation policy. Section 5 concludes.

2. Innovation policy in the Pacific: A review of the current legislation

Prior to proposing recommendations on how to improve policy measures to favour innovation activity in the Pacific, a clear picture of all current policies, instruments and measures employed to favor innovation is needed. Policies that may affect innovation can be found in different domains (fiscal policies, investment policies, trade policies, intellectual property protection, standards, public procurement, training, research and development programs), and at different administrative levels.²

Regulation is one of the activities of governments that can have a profound impact on the level and direction of innovation, both in specific sectors and in the economy as a whole. Indeed, the Government should aim at creating a regulatory environment that facilitates, sustains or impedes the creation and growth of new business ventures. Consequently, this would have a positive impact on research and innovation.

The analysis of the current legislation in the Pacific countries is important in order to understand if it works as a trigger or as a restrictive mechanism concerning innovation and economic development. For this reason, in this section, we present a detailed review how legislation regulating investment, trade, training, research and development, intellectual property protection, standards, public procurement may be relevant to innovation in the mineral and natural resources sector, in the manufacturing sector, and in favouring economic development

¹ The full report on these activities and result is available as D.4.1 for this project.

² According to OECD, there are three different types of regulations namely economic, social and administrative. The first, economic regulation aims at improving the efficiency of markets in delivering goods and services and can involve government restrictions on the private sector decisions regarding for instance prices, quantity, services, entry and exit in certain markets. The second type is social regulation, it focuses on protecting the well-being, and social rights of society in general, encompassing subjects such as environment, health, and safety, among others. Finally, the administrative regulation concerns general government management of the operation of public and private sectors, including taxes, health care, distribution systems, and intellectual property rights.

2.1 Investment

using biodiversity resources while preserving the environment.³ The aim of the review is both to provide an introductory summary on the main bodies of legislation, as an input for policy discussion, and as a stepping-stone for entrepreneurs interested in investing in the Pacific region.

The legislation on investment is potentially a very powerful instrument to favour innovation. Almost any country in the Pacific region has some sector-specific instrument in place to favour investments. The Samoa Government offers tax incentives to exporters and tourism developers through a concession scheme. Income tax exemptions and tax credits are also available for tourism developments. The Industry Development and Investment Promotion Division (IDIPD) administers several schemes designed to provide assistance to businesses that produces for domestic and foreign markets, with the objective to enhance development of domestic businesses as well as property developers in the tourism. The Fiji Government provides a wide range of incentives that includes both tax incentives (e.g. income tax and other tax and duty concessions) and non-tax incentives (e.g. concessionary credit) to encourage investment and exports in the manufacturing sector. A five years tax holiday is available to individuals undertaking a new activity in renewable energy projects and power cogeneration. Duty free importation of renewable energy goods is also available. A 10 years tax holiday is also available for those undertaking a new activity in processing agricultural commodities into bio-fuels.⁴ There is also a duty free importation of plant, machinery and equipment for initial establishment of the factory and a duty free importation of chemical required for biofuel production. To encourage development in the northern and maritime regions of Fiji, those have been declared tax free. Businesses that are established in these regions and meet the prescribed requirements will enjoy a 13-year corporate tax holiday and import duty exemption on raw materials, machinery, and equipment. There are also special measures to favour investments for mining companies. Minister can grant a tax holiday to a mining company for a number of years depending on the submission. They also enjoy duty free import of all specialized for two years from the date of approval and 20% accelerated depreciation allowance. These tax incentives might attract foreigners wanting to invest and innovate in the agricultural, maritime, mining, and renewable resource sectors. In New Caledonia, since 1990 each Province has its own defined legal framework (deliberations, environmental codes, etc.). The Southern Province provides

³ This section summarizes the results from three report: 1) Review of Legislation in the Pacific Region Affecting Innovation in the Mineral and Natural Resources Sector, prepared by CNRT; 2) Review of Legislation in the Pacific Region Affecting Innovation and Exploitation of Biodiversity , prepared by LCR; 3) Review of Legislation in the Pacific Region Affecting Innovation in Manufacturing Sector, prepared by SPI. For details on the methodology employed in each Report and for the full reports, see Appendix.

⁴To qualify, the investor must have a minimum level of investment of \$1,000,000 and employ 20 local employees or more for every income year.

several instruments to support investments and innovation. There are specific financial incentive schemes for the development of private companies in the timber industry. The Southern Province has also created the mixed-economy company SAEM to infuse dynamic to the whole sector. In the mineral and natural resources sectors, where innovation is primarily undertaken by large international companies, those measures are instead directed to support small and medium enterprises trying to innovate in sectors related to natural resources management (3D surveys, exploration techniques, etc.). Finally, there is a large set of financial incentives projects directed to the development or maintenance of activities in the fields of agriculture, livestock, forestry and aquaculture (Deliberation n° 43-2011). The objectives are: (i) improving the quality of products and their production; (ii) lowering production costs of products and their disposal; (iii) support for an industry whose market is unbalanced; (iv) promoting processing or export production; (v) improving water management in coastal areas; (vi) maintenance of facilities and certified plantations to protect the riverbanks; and, (vii) extension of new techniques. Moreover, the Southern Province supports the investments that companies make to strengthen or improve their activity in the development of innovative projects (Deliberation n° 43-2011). Eligible costs include training and external consultancy but support can only be allocated once for the same project. This deliberation clearly states that innovation is in the interest of the South Province since the incentives may increase availability of funding for innovating firms across several themes and economic activities. The Southern Province also provide support to innovative projects of Caledonian businesses through a dedicated fund, the South Innovation Fund.⁵

Beside sector-specific incentives, in several countries, Governments have created centralized agencies to foster and guide investments. In Fiji, the Fiji Islands Trade and Investment Bureau (FTIB) is mandated to promote, stimulate, and facilitate investment in the country under the Foreign Investment Act (2004). Fiji has recently liberalized and rationalized its foreign investment regime and the existence of this Bureau may facilitate gathering information and identifying resource for investment-related research. The Government has also decreased the cost of taxes for companies by reducing the profit tax rate. These interventions are designed to free resources to induce companies to make additional investments and possibly start innovation projects. As we have seen, in New Caledonia, investment promotion is under the mandate of Provinces and each Province has its own semi-State owned/semi-private company (Societe d'Economie Mixte) (SEMs) which promotes investments and economic development within their respective Province. In the Southern Province, PROMOSUD intervenes in key sectors of the Caledonian economy through its subsidiaries and companies in which it holds a strong

⁵ The fund is conjointly run by OSEO, a French public company specializing in the financing of innovation and growth of SMEs, and the Southern Province.

participation. PROMOSUD has as priority to invest in sectors in the Southern Province in which it is harder for the private sector to get involved because they are capital intensive. Through its Society of Participation in South Caledonian Mining, PROMOSUD owns 50% stakes in the capital of Vale NC (mining); and through its Caledonian Regional Company for Industrial Participation, it holds 50% shares in the capital of the SLN (mining). In the Northern Province, SOFINOR aims to promote economic development in the Northern Province in agriculture, fisheries/aquaculture, logging and business activities on native land, and mining and metallurgy. One additional condition for justifying these investments is that targeted activities need to involve the local population or local interests. Finally, in the Loyalty Islands Province, SODIL supports economic development and investments across transportation, fisheries, hospitality, social housing, and food production sectors. These semi-public investing companies play a very important role by increasing availability of funding in different sectors and creating new market niches without crowding out private initiatives. Their activities also favour innovation by reducing sunk costs and transaction costs on investment setup. Another important function they have is to reduce compliance and administrative burdens for research prior to investment in innovation. In New Caledonia, the New Caledonian Economic Development Agency (ADECAL) also plays an important role in guiding investments and innovation. ADECAL receives support from both public and private institutions.⁶ As part of its missions, ADECAL acts in a number of capacities, including as an interface between the private and the public sector, as a consultative and coordination body, and to accompany new actions and projects that are expected to benefit the domestic economy. ADECAL provides information on exportable goods and services, international investor canvassing, and external markets exploration. It also support high-tech industrial research and provides development facilities to stimulate innovative projects and streams. In 2011, ADECAL was tasked with further assignments in innovation, technology transfer and training that involved setting up the New Caledonian innovation and technology park (Technopole). The objective of this project is to contribute to New Caledonia's economic development as the interface between researchers and the private sector, providing business with innovation and technology transfer to make it more competitive, and to back innovative new projects or industries in predefined sectors. Investment promoting agencies often have also the objective to find investors and to connect domestic and foreign entrepreneurs. For instance, in the Cook Islands, the Business Trade Investment Board (BTIB) aims to link local partners with an international network of buyers, investors and financing sources, and to increase economic growth and employment in domestic economy.

⁶ ADECAL receives the majority of its funding from the French Government, the Government of New Caledonia, and the three Provinces of New Caledonia.

Governments are putting in place different instruments to facilitate and increase investment, especially those with innovation potential. One very important set of measures are those directed to facilities the creation of new companies. One important expected effect of these policies is - by reducing the sunk cost of start-up a new company - to increase the number of innovative companies, and the search for innovative products and production techniques. In PNG, in 2014, the Government amended the 1997 Companies Act to improve corporate governance and ease regulatory burdens. The main six changes to the Act are as follows: (i) increased protection and benefits for shareholders; (ii) clarification of duties imposed upon directors; (iii) a more transparent and streamlined process of issuing shares; (iv) increased protection of creditors, including a more disciplined liquidation process; (v) a clearer process for filing annual returns; and (vi) streamlined filing requirements in anticipation of implementing an online registration. Moreover, the PNG Government offers a number of forms of financial assistance to domestic entrepreneurs for the establishment of small-scale business operations, primarily through the Small Business Development Division of the Department of Trade and Industry. To create a more open and competitive economic environment, in 2006, the Ministry of Public Enterprises of Fiji has started a comprehensive program of reorganizing, restructuring, and privatizing state owned enterprises (SOE) to accelerate divestment to favour the entry of private capital and new investors in all sectors. In Samoa, the Special Purpose International Companies Act 2012 introduces a new form of hybrid company, based upon a familiar and popular format, the Samoan International Company. This Act is expected to change the Samoan business environment by reducing compliance and administrative burdens when starting a company. Also, this specific new legal format of the company may be more appropriate to the Samoan context in order to readily incorporate innovation attitudes. This Act is also a part of the more general Government's strategy of privatizing some SOE and promoting wider participation by residents in the future development of Samoa.

Yet, not always Government's initiatives are successful. In December 2013, the PNG Investment Promotion Agency (IPA) introduced an online registry system that was expected to significantly speed up the registration of companies and to facilitate trade, investment, and innovation projects. Unfortunately, this system is not yet operative since Parliament did not approve that. This is very worrying since delays due to Parliament's inactivity may discourage potential investors because they can be interpreted as a sign of low interest in facilitating investment in the country. This is not the only example of a potentially useful instrument that is not activated. For instance, the Government in Samoa established the Unit Trust of Samoa in 2010 with the goal of being 'an investment vehicle for an ordinary Samoan out in the village, a small farmer or fisherman' and an opportunity for overseas Samoans to invest in the country.

This Unit Trust was expected to change the business environment by increasing the availability of funds in Samoa. As the Trust is directed to people far from the main markets, it would help reduce transaction costs, and open more market possibilities that may encourage innovation. In fact, the Trust should be an opportunity for small investors to access a range of investments while at the same time spreading risk and leaving the management of their savings in the hands of experts. Yet, as for now, no significant amounts of investment have been channeled through this scheme.

It is important to note that – precisely to overcome some of the difficulties we have just discussed – there are organizations that support Governments in their attempts to develop legislations that can attract investments and lead to innovation. For instance, at the University of the South Pacific (USP), the Pacific Centre for Entrepreneurship serves as a focal point for academic research and education into entrepreneurship and small business development. It provides a nexus between research and teaching, policy, and practice.

Attraction of FDI is a potentially very effective way to access the technological frontier. The idea is that FDI would provide guidance on how to introduce improvements to the local products and production techniques, and eventually provide the starting point for both product and process domestically-generated innovations. The large use of the FDI attraction strategy is also motivated by the fact that local investors are usually reluctant to take risks. Through FDI, they are the foreign companies that take the risk and explore the feasibility of product and production innovation in country. Unfortunately, this strategy has been pursued with very different results in the different countries. The situation has become even more complicated because both the world economy and the rules of international trade have changed in recent decades. For instance, during the 1970s, the Samoan government had several policies in place to attract foreign producers. In this way, the Government successfully made a Japanese automotive production factory to locate in the country. The company decided to open a factory in Samoa because the country was very stable and the workforce was high educated but also because the Government offered a large package of incentives (tax holiday, free rental of the plant building, etc.). Nowadays, that would not be possible anymore: the WTO rules in fact forbid the use of this type of incentives. In fact, nowadays to attract FDI Governments are trying to improve the quality of the labour force and of the business environment.

Yet, in several countries, there are in place several laws and regulations that are mostly likely to be an obstacle to investment and innovation, especially if from foreign companies. In Fiji, Investment Fiji is a Government agency dedicated to the promotion, regulation, and control of foreign investment in the interest of national development. Investment Fiji pursues this task in

conjunction with relevant government ministries. Government approval is required for all foreign investment in Fiji. All businesses with a foreign-investment component in their ownership are required to obtain a Foreign Investment Registration Certificate from Investment Fiji prior to establishing a business in Fiji. While in general very welcoming to foreign investors, in 2013, the Fiji Government amended the Foreign Investment Decree with provisions to permit the forfeiture of foreign investments as well as significant fines for breaches in compliance of foreign investment registration conditions. There is increased uncertainty for investment activities because of the operational aspects of this amendment. Political reasons may spur an initiative to forfeit investments; in the medium-run this amendment may deter FDI and other innovation activities because of high transaction costs (e.g. informal payments to bureaucrats, impact of political agendas), increased uncertainty regarding the rule of law, and the discretionary nature of policy decisions. In PNG, in 2013, the government amended the Takeovers Code to include a test for foreign companies wishing to buy into the ownership of local companies. The new regulation states that the Securities Commission of Papua New Guinea (SCPNG) shall issue an order preventing a party from acquiring any shares, whether partial or otherwise, if the commission views that such acquisition or takeover is not in the national interest of PNG. Since takeovers are normal events in a dynamic economy, it is uncertain if discretionary decisions from SCPNG will prevail over investment decisions. While it is not clear how this new regulation would affect investment and innovation, it is doubtful that would increase them. In other cases, the investment legislation is highly fragmented and complicated. Again, an example is PNG, where the Investment Promotion Act 1992 provides the general guiding framework for all investment, while investments in some key sectors are handled under specific sectoral legislation⁷. Most importantly, several countries still have limitation for foreign investors. This is for instance the case of Samoa. The Samoa's foreign investment regime is regulated by the Foreign Investment Act 2000. The latter requires all businesses with any foreign ownership to get Government approval. The Industry Development and Investment Promotion Division of the Ministry of Commerce Industry and Labor (MCIL) administer the approval process. In addition, there are some restrictions on which activities can be conducted by foreign owned businesses. Indeed, the Foreign Investment Amendment Act 2011 classifies as Reserved and Restricted activities (i.e. not allowed to foreign investors): (i) Bus transport services for the general public; (ii) Taxi transport and sensitive issue. Samoa's foreign investment regime is largely permissive and aims

⁷ Investment in fisheries is administered under the Fisheries Management Act 1998; banking and financial services under the Banks and Financial Institutions Act 2000; forestry under the Forestry Act 1991; mining under the Mining Act 1992; petroleum under the Oil & Gas Act 1998; and telecommunications under the National Information Communication Technology Authority Act 2009 (NICTA).

to services for the general public; (iii) Rental vehicles; (iv) Retailing of general food items; (v) Saw milling; and, (vi) Traditional garment designing and printing.⁸ A foreign investor must be a Samoa resident and must establish a joint venture with a local partner. It is clear that restrictions on activities affect the availability of funds from FDI, and may hamper innovation in these areas because Samoan nationals may not have the resources to invest or innovate in the restricted areas. Some flexibility may exist through joint ventures that would encourage small-scale innovation. In PNG, restrictions for foreign investors are still relevant. While mandatory localization plans for businesses were removed in 2009 (Employment of Non-Citizens Act 2007), compulsory trading reports detailing actual training activities are still required for businesses to renew foreign work permits. Yet, a new entry permit (Resident (Long Term) Entry Permit) was introduced in September 2005 to extend permanent residency to majority foreign owners of businesses that have operated in PNG for at least five years. This may facilitate settlement of foreign investors and entrepreneurs, as well as favouring the design of innovative and long-term projects. Moreover, the Investment Promotion Authority (IPA) is mandated to promote and facilitate investment and to be a one-stop shop for investors. Foreign investment does require Government's approval. The procedure is implemented by the Government with the assistance of the IPA per the Investment Promotion Act. This policy framework may facilitate the entry of foreign investment given the low compliance and administrative burdens. As the IPA is the only agency to deal with investment, transaction costs to set up business in the country may be low, increasing the incentives for innovative investments. Finally, PNG has recently established a Policy Framework of Responsible Sustainable Development, and has made progress by creating policies and systems to streamline the regulatory and administrative requirements for foreign investors.

There are also peculiar country-specific policies directed to favour investments. One of these is the Samoan Citizenship Investment Bill adopted in 2014. Under this law, foreigners could gain Samoan Citizenship if they are willing to invest 420,000 USD. The price tag is negotiable, and there is a waiting period and a series of checks that must take place. The Bill essentially serves as a means to attract potential investors to Samoa to aid its future economic development. Another example is the insurance provided in Fiji to foreign investors. Fiji is a signatory of the Multilateral Investment Guarantee Agency (MIGA), an independent agency of the World Bank mandated to help facilitate increased flows of foreign direct investment to developing countries.

⁸ In fact foreign investors can participate in Reserved and Restricted activities if some conditions are satisfied. As per the Restricted List: (i) Fishing, if the foreign investor has a maximum 40% equity; (ii) Manufacturing of Nonu (*Morinda citrifolia*) and Coconut Virgin Oil, a foreign investor must establish a joint venture with a local partner; and, (iii) Services: Architectural, Professional engineering, General construction, Sewage, Refuse disposal, Sanitation and similar services.

Its core area of business is providing coverage to events such as currency transfer/inconvertibility risk, expropriation and breach of contract, and political-risk for foreign investors. Finally, there are examples of non-monetary incentives to favour innovation. For instance, in New Caledonia, in 2012 the Chamber of Commerce and Industry of New Caledonia and the New Caledonian government created the Innovation Trophies, a series of competitions aiming to promote innovation. While these competitions are unlikely to have any impact on actual innovation, they are nonetheless important since they show the interest of the Government towards innovative projects, especially in the mineral and natural resources sector (3D survey, environmental impact, reforestation, etc.).

2.1.1 Trade regulations

Most of the countries in the Pacific region have already very open economies, which is the result of a long-term process of trade liberalization that has started in the last two decades. In recent years, Papua New Guinea's trade policy has focused primarily on tariff liberalization, removal of non-tariff barriers to trade, providing tariff protection for specific local industries, and undertaking negotiations on regional trade agreements trying to enhance market access for exports. The Tariff Reform Program (TRP), which the Government embarked on from 1999-2006, had the objective of creating a more efficient and productive private sector through increasing international competition in the domestic economy. Under the TRP, tariffs gradually decreased through a planned schedule of reductions that was legislated within the Customs Tariff Act. These interventions would positively affect investment and innovation because they contributed to facilitate trade and FDI. Greater access to export markets may also increase availability of funding and encourage innovation. However, the increase in market size and the possibility of exporting PNG goods based on natural resources may add pressure on these resources creating some environmental concern.

Tariffs are still the most important trade policy used in several countries in the Pacific region. As for Fiji, tariffs are the major trade policy tool used to control imports. However, imports are also subject to non-tariff measures such as import licenses, internal taxes, and regulations. The Government adopted an Import Substitution Plan in 2008 to promote food security and exports. The key agricultural exports included in the plan are sugar, fruits and vegetables, and kava. Very generous incentives were introduced to promote investments in agriculture. One possible problem with these type of policies is related to the fact that tariffs applied to resources needed for investment and innovation may raise costs. In fact, import substitution is a very controversial development strategy. Many examples exist worldwide where this strategy has not been successful. Furthermore, although the tariff structure in Fiji has been simplified, *applied* most

favoured nations (MFN) tariff rates have continuously edged upwards, which seems inconsistent with the Government's stated goal of gradual tariff reductions. This increase in trade protection may hinder innovation by increasing costs of importing new and more advanced inputs. Also other countries are facing difficulties in managing tariffs as to to favour innovation. In the Cook Islands, a Custom Tariff Act has been adopted in 2012. There are duties on all goods imported into the country either for home consumption or for manufacturing. Thus, the innovation in the manufacturing sector is – to say the least - not favored by the current tariff structure. However, to try to balance the different needs, the Government is adopting the Trade Policy Framework (TPF) to attempt to improve the trade policy and the investment regime. Similarly, in PNG, in order to ensure a faster and efficient industrial development, the Government is reviewing the trade and tariff policies to make them more in line with the needs of the private sector.

Other instruments are also in place to favour trade and which may affect innovation. For instance, in Fiji, the Company and Business Registration facilitates business registrations for local and foreigners. Moreover, the Foreign Investment Approval and Tracking support foreign investors in the on-line application to start up a business in Fiji. Furthermore, the Fijian Customs signed Memorandums of Understanding with several foreign counterparts, including Australia and New Zealand, to enhance cooperation and mutual administrative assistance to facilitate international trade. For instance, computerization has been extended to allow shipping manifests to be submitted and processed electronically. This would facilitate transactions and reduce compliance and administrative burdens. However, according to the World Trade Organization (WTO), obstacles to imports allegedly remain and they include a lack of impartial application of laws, regulations, and judicial decisions; no effective, formal, private-sector consultation mechanism or effective advance ruling system; excessive and time-consuming documentation requirements and corrupt practices. All these are elements tend to reduce investments in country and work as a negative incentive for innovation activities.

In several countries, Governments provide a wide range of export assistance measures in order to increase investment in exporting activities. For instance, in Fiji there are numerous export incentives, including the concessionary finance facilities administered by the Reserve Bank of Fiji to assist exporters, namely the Export Finance Facility (EFF) and the Export Credit Ratio (ECR). Exporters benefit from duty drawback and suspension, although administration of these measures is reportedly complex and utilization difficult. High tariffs on raw materials and intermediate inputs necessitate such administratively difficult and imperfect schemes if they are not to penalize exports. At the same time, Government assistance may crowd out private funding and the development of the financial system. However, this assistance may spur

innovation in areas that would not have access to bank loans. In some countries, there are also public-private bodies that have as objective to stimulate trade and create the opportunity for innovative investments. The Samoa Association of Manufacturers and Exporters is a trade association established in 1981 with a view to providing the following for Samoa's manufacturer and exporters: 1) representation of members' interests before Government; 2) dissemination of information and training; 3) organization of trade fairs; 4) skills development and marketing enhancement. These trade associations are very important in representing the needs of the manufacturing sector and the companies that are within the industry. This is very important to create a dialogue with the Government. In addition, they also provide actions of skills improvement and marketing competences.

Nowadays almost any country has a National Export Strategy that supposedly should design the long-term strategy for export growth. For instance, in Fiji, the 2006 National Export Strategy identifies the priority sectors for export growth: forestry, agri-business, marine products, audio-visual, ICT, and mineral. The stated objective is to increase exports of goods and services to at least 65% of GDP (threefold increase). Yet often this document is only a wish list. For instance, in PNG, trade-related and foreign investment policies are included in the development plan, Vision 2050; the Prime Minister's Office and the NEC through the Public Sector Reform Management Unit are heavily involved in implementation. However, despite on-going efforts, which may bring longer-term improvements, PNG's trade policy framework remains weak institutionally, with insufficient coherence and coordination. Policy-making is largely ad hoc, which weakens the mainstreaming of trade policy into economic and development policies.

Being a member of bilateral, regional, or multilateral trade agreements also facilitates trade and may affect innovation activities. The number and type of agreements countries are part of is very different. For instance, Fiji is part to several regional and international trade arrangements, including the South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA), an interim Economic Partnership Agreement (iEPA) with the EU, and the WTO Generalized System of Preferences (GSP). Under SPARTECA, Fiji has a broad, duty-free access to the markets of Australia and New Zealand for its exports, subject to certain exceptions and limitations. In November 2007, Fiji signed an interim EPA (iEPA) on trade in goods, replacing the trading section of the Cotonou Agreement, which secures preferential access to the EU market for some Fiji exports. The interim EPA was renewed in 2014. Fiji is also part to the Melanesian Spearhead Group (MSG) and the regional Pacific Island Countries Trade Agreement (PICTA). Since 2014, Fiji is a participant in the Pacific Agreement on Closer Economic Relations (PACER Plus). Similarly, PNG is a member of the Asia-Pacific Economic

Cooperation (APEC) and the World Trade Organisation (WTO), granting therefore access to various agreements. A wider access to foreign markets is in most cases an advantage, creating the opportunity to access to larger markets and different types of consumers with respect to the domestic ones. Most of these agreements have as objective to facilitate trade and create the conditions for investment liberalisation. These are also supposed to create better conditions for increasing innovation activities.

Finally, there are also country-specific policies that affect trade and possibly innovation. For instance, Fiji maintains extensive price controls, which are administered by the Prices and Incomes Board (Counter Inflation Act 1973). Price controls are in place also in PNG. The Prices Regulation Act indicates certain declared essential goods and services are subject to either price control (Section 21) or price monitoring (Section 32) to benefit consumers (Chapter 32). The use of such measure raises some concerns since price controls may deter investment and innovation because of negative effects on profitability and thus on innovation.

2.1.2 Intellectual property rights

The issue of Intellectual Property Rights (IPR) protection is extremely sensible for countries in the Pacific region. Even if the relation between the strength and the modality of IPR and innovation is not clear, most of the countries in the region are trying to strengthen and increase the scope of IPR protection laws. One clear example in this sense is Samoa. There two main laws to protect and safeguard intellectual property in Samoa: a) Copyrights Act 1998 – which applies to work including books, pamphlets, articles, computer programs, speeches, lectures, musical works, audiovisual, works of architecture etc. b) Intellectual Property Act 2013 - for the registration and enforcement of rights of owners of Trademarks, Patents, Industrial designs, GI and Plant varieties. The latter is the outcomes of a 2011 project to modernize Samoa's IP laws. Interestingly, this project was conducted in the context of Samoa's access to the WTO, with the aim of implementing the minimum standards required by the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (or TRIPS Agreement). Provided proper enforcement, these laws enable ease of appropriation for innovation activities, and reduce risk when starting a new company. Yet, legislation regarding IP in relation to genetic or biodiversity resources is not existent, and this appears to be a grey area that may affect ownership of goods based on biodiversity resources. A similar problem is found in New Caledonia, another country characterized by an extremely rich biodiversity. Also in this case, due to the opacity of the IPR protection legislation, there is high uncertainty about profits and returns of investment and innovation projects, especially those related to the exploitation of biodiversity. In fact, the Government tries to encourage further investment and innovation but with no clear results.

While IPR are regulated (Deliberation No. 02/1989) as well as the know-how in all its forms (including financial and contractual innovations), the ownership of products developed from biodiversity and genetic resources is ambiguous. Confusion may discourage use of these resources. If proper implementation and enforcement occurs, this would greatly reduce uncertainty about profits and returns on innovation, thus encouraging investment and innovation.

In other countries, the whole IP protection system is not yet effective. In Fiji, The National Intellectual Property Strategy of December 2011 aims to ensure the establishment of an IP system linked as directly as possible to the pace and characteristics of social development and economic growth. The strategy has three key components: 1) to initiate IP policies and legislative reforms; 2) to modernize the administration of IP; and 3) to strengthen the capacity for enforcement and regulation. In fact, trademark and patent laws are outdated and the enforcement of these laws remains inadequate. In PNG, while formally there appears to be a comprehensive body of intellectual property legislation, its effectiveness is very weak. The Intellectual Property Office of Papua New Guinea (IPOPNG) is charge of protecting and promoting intellectual property laws in the country. In this way, it is expected to secure intellectual property rights and, by reducing costs on investment research and planning, encourage innovation. In recent years, IPOPNG has undertaken policy initiatives with the aim of strengthening and improving the existing intellectual property legal framework to ensure that these legislations are fully compliant with the TRIPS obligations. In fact, until now, the level of intellectual property protection has been low in PNG, which has made domestic companies vulnerable towards competition from larger (often foreign) companies. While formally a comprehensive body of IP legislation now exists, it is unclear if proper enforcement occurs.

2.1.3 Training

Another potentially important set of policies influencing innovation is that related to training. Countries in the Pacific region are starting designing and implementing programs directed to improve entrepreneurial skills and innovation capabilities. In Samoa, this role is played by the Samoa Country Training Program (SICTP), created with funding from the New Zealand and Australian Governments as well as some support from the Government of Samoa. In the last years, SICTP has provided capacity building for human resources from the public, private, and civil society sectors through the coordination and implementation of training's in both generic and technical skills, conducted by local and foreign trainers. Another important initiative is the creation of the e-Commerce Development Centre, which would house a technology training centre, a data entry facility, a software development for application, and a business incubation

facility. This center is expected to reduce the costs of innovation, as it will contribute to improve the quality of domestic entrepreneurs reducing the need for international assistance. By increasing labour qualification, this center would create the basic conditions for potential innovation in the manufacturing sector. In other cases, training programs have been less effective in favoring innovation. For instance, in PNG, there are several long-term training programs (i.e. production and marketing of fresh vegetables, manufacturing cocoa and coconut driers using appropriate technology and fertilizer application, etc.). Yet, most of those trainings are directed to provide basic production knowledge rather than develop entrepreneurship and innovative approaches to business. In some countries, there are programs dedicated to specific disadvantaged groups. For instance, in New Caledonia, following the guidelines of the Noumea Accord for the rebalancing program in favour of Kanak people, the Future Managers program ('Cadres Avenir') supports persons who have professional experience to reach a middle management position. More than 90% of this program is funded by the French State and 10% by the New Caledonia government. Finally, in some countries, the University plays a central role in providing training to potential entrepreneurs and innovators. This is the case for New Caledonia, where the University of New Caledonia provides several courses with this perspective. Similar courses are also provided in PNG by the UPNG, in Samoa by the NUS, and in Fiji and Cook Islands by the USP. While there are still very few dedicated programs, there is an increasing awareness of the important role that also University can play in preparing and forming innovative entrepreneurs.

3. Improve the policy making in the Pacific

Our review indicates that – at least in theory - there are several policies and measures in place to support innovation. Yet, innovation is very low in the Pacific region. One of the reasons for this lack of effect, it is that most of these measures are in fact included in policy documents that have never been implemented. Often, innovation policy is just (another) long wish list: a long, unrealistic, and completely disconnected from the local economy needs, sequences of measures that will never or only partially be implemented.

Our analysis – based on the results from interviews with shareholders, the firm innovation survey, and the analysis of international best practice - suggests that a radical change is needed. First, while it is clear that the Government has to play a central role in leading the process, the other actors also need to take part in the decision process. Dialogue is the key. Second, it is also emerging the understanding that innovation policy (as any other Government policy) needs to be selective and that – due to capability and resource constraints - only a limited number of interventions can be implemented. Third, there is large room for making more effective the

3.1 Improve the process of policy making

various support measures designed by government to promoting innovation. In sum, there is the need to improve the policy making both concerning the process of design and implementation of innovation policy, and the content – in terms of measures and instruments - of innovation policy. In the following, we discuss more in detail how this could be done.

Our analysis of the current status of the policy making process in the Pacific suggests that it would benefit from five main actions. We discuss them in turn. *First, the policy making process would benefit from an extensive and well-conducted (pre-design) analysis phase.* One of the main objectives of the (pre-design) analysis phase should be to acquire the best possible understating of the current economic, social, and political situation. This requires first of all to collect as much as possible data to provide the baseline on which elaborate the policy and articulate the various measures. It is important to acknowledge that data collection requires time and resources. Yet, this activity has a very high long-term return since only evidence-based policy making can be expected to succeed. Data collected at the beginning of the project can also be used to run pilot studies (or experiments). This ‘small-scale’ approach is a very cost-effective way to check the feasibility and the realism of the expected results of the full policy. Another important objective of successful pre-design analysis phase is to create a continuous exchange of ideas between all stakeholders. In particular, the policy *dialogue* between the private sector, research institutions, and the public sector is crucial. While this seems an obvious statement, the current situation in most of the Pacific region countries is that the promotion of this dialogue is mostly illusory, especially at the beginning of the policy design process. While the private sector and the University representatives are often invited to meetings, they are usually given limited possibility to interact with the public section. Instead, a dialogue requires a *continuous* process of common elaboration and confrontation between equal partners. In fact, building a successful relationship needs cooperation and shared objectives. On the contrary, one often sees forms of antagonism among stakeholders. One way to ameliorate this lack of trust is to make these meeting periodic and open to all stakeholders. Another important result that should be achieved during the pre-design analysis phase is to clearly define policy objectives and timeline. This is crucial since it allows to help allying expectations among stakeholders. This reduces the possibility that shareholders hold unrealistically high or too pessimistic expectations from the policy. Both these extremes should be avoided and participation of shareholders should be guided by reasonable expectations about the benefit and cost of that activity. Only this awareness could ensure that shareholders will then participate to the following steps of the policy implementation process. During the pre-design analysis, all available information should be shared as to facilitate from the beginning the elaboration of an

3.2 Improve the content of policy making

agreed strategy. In addition, by sharing information, each stakeholder is made part and somehow responsible for the following steps of the policy process. Finally, during the pre-analysis phase, it is important to make very clear to all participants that a serious process of policy design requires time to be completed.

Second, the policy making process would benefit from strong support from the stakeholders and from the population at large. There are different actions that may be taken to gain this support. To begin with, the motivations behind the policy should be made understood by all stakeholders, especially the public sector staff. At the same time, all the elements of the policy should be made transparent: which are the objectives of the policy; who are the decision makers; who are the recipients; which are the cost and the expected benefits? This last point is particularly important. In fact, as any other government policy, innovation policy is costly (even if its costs are sometimes only indirect ones). The best way to deal with this it is to make the costs known by the public opinion. This reduces the risk of corruption and waste of resources. Similarly, to advertise the estimates of the (expected) benefit would increase the potential support from the private sector and the population at large.

Third, the policy making process would benefit from more monitoring and evaluation. While this point may appear obvious, it is important to spell out the reasons behind it. The basic idea is that any policy can be successful only if its effects are measurable. This implies that – to begin with – the effects of the policy needs to be made measurable and are then actually measured. To this end, the monitor and evaluation component of the project needs to be part of the policy making process from the beginning of any intervention. This is another element that adds to the economic costs of the policy. Yet, the benefits of policy evaluation are very large as well. The evaluation of the project will provide indication on what is working well and what needs to be changed. These results will also be useful to improve the current policy and to generate new ones.

Fourth, the policy making process is more efficient if is able to adapt to the changing external conditions. Even if it includes several actors, the policy making process needs to be flexible because external conditions often change, especially in the case of long-term policies. This implies that the specific instruments of the policy need to be easily modifiable. At the same time, also stakeholders' priorities may change. This implies that also the objectives of the policy may need to change accordingly. The policy making process needs to be continuous and adaptive.

The results of our investigations indicates that not only the process but also the content of policy making concerning measures and instruments to support innovation activities in the Pacific region needs to be improved. One interesting aspect emerging from our stakeholders interviews and firm innovation survey results, it is the almost universal agreement that the Government has to play a central role in supporting innovation. Yet, preferences within and between countries are highly heterogeneous as for which are favourite measures to facilitate innovation. Our research indicates that these can be ranked as follows: 1) direct measures; 2) creating a business friendly economic environment; 3) improving the Private-Public dialogue; 4) introduce measure to favour cooperation between local and foreign companies; 5) use domestic public procurement as high-quality demand; 6) create incubators and technopoles.

Looking into the set of possible the direct measures/instruments, the private sector ranks them in terms of effectiveness as follows: 1) tax rebates for innovation activities (direct subsidies); 2) loan and grants for innovation activities; 3) (publicly provided) technical support for innovation; 4) public investment in ICT; 5) funding of R&D activities; 6) public-funded training for workers. After direct measures (which have a direct and somehow obvious positive impact on companies), the second most important measure according to the private sector is the creation of a business friendly economic environment to facilitate innovation. One important elements to create this context is that the Government becomes efficient and timely in delivering services. This would make the economic environment more conducive to innovation, creating the conditions for experimentation and taking risk. One crucially important aspect for the private sector is the reduction in the costs of starting a new business. In fact, the lower the cost of starting a business, the more resources the company can devote to explore novelties and is able to take risks. Noting that a significant part of these costs are those related with the time spent to deal with bureaucracy, it is clear that there are several actions that the Government can undertake to improve the situation. The fact that the creation of the conditions to make local and foreign companies to cooperate is ranked third is not surprising considering that these economies are geographically quite isolated and they face severe difficulties to access foreign markets. Supporting this type of collaboration would create important opportunities for domestic entrepreneurs and companies to access foreign technology and create the conditions for innovation. Obviously, governments should not go too much into the details of these collaborations: for instance, the Government may create the conditions for a collaborative investment in the marine sector, but it should go as far as to indicate which type of fish to catch. In addition, the private sector finds that governments could positively contribute by providing market information and specific technical support. This type of interventions would help in closing the existing gap between local and foreign companies, creating also the initial conditions

for more equal and fruitful partnerships. The private sector is also convinced that Governments could favour innovation by using public procurement. While high quality Government demand can indeed be very effective in stimulating innovation, the former is often satisfied by foreign companies with domestic ones not being able to compete. Also in this case, the role of the Government could be that of regulating this type of asymmetric competition to make also domestic firms enjoy the growth opportunity offered by public procurement. Finally, there is a large consensus on the potential benefit of creating incubators and technopoles. The creation of a physical place where researcher can meet are expected to facilitate the exchange ideas, to develop cooperation projects, and to create an environment conducive to innovation. At the same time, physical closeness is expected to favourite also business because it makes easier for entrepreneurs meet with each other and learn what others are doing, which is often said to be one of the elements behind the success of clusters. Moreover, this setting allows the possibility to share some resources (e.g. meeting areas, cars, etc.). The existence of a physical place where to meet facilities the match between scientists (with ideas) and companies (willing to invest). This also makes easier the exchange of information between companies (about the market, the public administration, etc.) and creates a stimulating business environment. This measure has proved to be very effective in the past in New Caledonia and promises to be the same in the future.

Our research has identified some crucial elements to improve the innovation policy content. The starting point should be the acknowledgment by stakeholders that innovation is not - and in fact is very different from - basic research. This is an obvious but important point. For this observation, it immediately follows that innovation policy measures are something different from the various form of support to academic research. In fact, while almost any country has some form of the latter, measures to support innovation are less common. The next question is: which type of innovation should be targeted? In the context of the Pacific region, the answer is - without any doubt – incremental and imitative. In fact, a realistic approach to innovation policy suggest that its instruments should aim at supporting incremental innovation rather than radical one (which is innovation that takes place at the frontier). At the same time, the measures needs to support imitative innovation, because this is the type of innovation what we can reasonably expect from companies in these countries, given the numerous constrains and obstacles they face. Finally, the measures should be designed to foster applied research rather than basic one. In particular, they should support the expansion of engineering activities and small-scale development and processing. Based on the analysis of the comparative advantages of the Pacific countries, innovation policy should be focusing on two specific areas, namely agro-processing and biodiversity. In term of targeted activities, measures should be designed to support

especially (international) knowledge transfers and cooperation among firms/companies (domestic and foreign ones).

In term of specific policies, our analysis has identified three potentially useful ones. First, to develop national and regionally coordinated innovation initiatives in the fields of health, food security, environment, and processing activities. This would allow for increasing returns in the management of innovation support initiatives and for knowledge flows across sectors in terms of how to best promote innovation activities. Second, the creation of an Innovation Promotion Agency whose main objective would be to facilitate the matching with domestic and foreign investors. This agency may take the form of a public body with two tasks: 1) searching for investors willing to develop existing innovation ideas; and 2) promoting innovation investment in the country. Finally, our analysis has clearly showed that the private sector is in large need of training on how to transform (basic) research into innovation. Research is often a pre-condition for innovation but innovation is something more and different from pure research. It is important entrepreneurs learn how to transform outcomes of academic research into successful innovation, i.e. a profitable economic activity, or that researchers' learn how to become entrepreneurs themselves. Providing this type of training is one of the main task Governments wanting to support innovation should focus on.

4. The role of EU

The results of our research – based on stakeholders' interviews, firm innovation survey, and the analysis of official documents – show that the EU can play a very important role in providing advice on how to improve innovation policy and support mechanisms for innovation in the Pacific region:

To understand how EU can contribute, it is important to consider two important obstacles to innovation policy effectiveness in the region. First, there is (still) a lack of information concerning the innovation opportunities in the region. As emerged from our research (see the results of our Assessment Report, D4.1), there are several opportunities for investments in innovation activities in the Pacific region but the local government and the private sector are often not aware of them or are not “selling” them well to domestic and foreign investors. One of the objectives of the PACENET Plus Project has been exactly to map these opportunities and to diffuse the information to EU to favour possible cooperation projects. This is an extremely important task because these investment opportunities can have large positive effects on the economy of Pacific countries and can attract new investors from the EU. Second, there is a lack of information concerning policy measures available to domestic and foreign potential

innovators (see the results discussed in this Report). Often domestic entrepreneurs are not aware of the policy instruments already existing to support their innovation activities. *A fortiori*, the same is true for foreign investors. In fact, one of the objectives of the PACENET Plus Project (e.g. through this Report) has been precisely to collect and organize the information on current legislation and policy instruments to favour the creation of collaboration projects between entrepreneurs, researchers, and governments in the two regions.

Our research has also identified some obstacles that limit the quality of the results of the EU cooperation activity. While the PACENET Plus Project testifies the interest of the EU in fostering innovation in the Pacific, some aspects of the EU approach would need to be modified to improve the effectiveness of EU funded projects in the Pacific region. From our research, it emerges that the EU presence in the region is still marginal. It is marginal in numerical terms (e.g. number of staff, agencies, etc.) but it is also marginal in terms of visibility of the various projects and programs. There are some serious weaknesses concerning the modality of diffusion of information concerning the EU activities related to innovation in the region. There is small knowledge in the domestic private sector concerning which are the programs, initiatives, and support measures for supporting innovation provided by EU and available to Pacific countries. Since there is increasing competition in the cooperation domain (see for instance the increasingly strong presence of China in the region), it is important for the EU to make local entrepreneurs and the population aware of the available opportunities and to better promote programs and projects. While this is a very serious problem, it can be easily solved with some more focus on making more visible the activity of EU in the region. Otherwise, even large investments in cooperation project would have low return because of low participation by the local entrepreneurs. Also in this case, PACENET Plus Project has been providing an important contribution in improving the situation. In fact, one of its main activity has been to disseminate information on EU programs and activities through different means including workshops, meetings, and the diffusion of documents through its website and newsletters.

5. Conclusions

This Report has presented an assessment of the status of innovation policy and support mechanisms for innovation in the Pacific region. Based on that, it has provided some suggestions to improve policy making and the effectiveness of innovation policy in the region.

Our starting point in the analysis of innovation policy in the Pacific region has been a detailed description of the current legislation. In particular, the Report has shown how legislation

regulating investment, trade, training, research and development, intellectual property protection, standards, public procurement may impact on the biodiversity, and on mineral, natural resources, and manufacturing sectors in Pacific countries. Moreover, it has discussed how current legislation in these sectors may favour or hinder innovation.

Our review of the various measures and programs affecting innovation in the Pacific countries showed that there is a large heterogeneity across countries in terms of number and scope of policies direct to support innovation. Important bodies of legislation exist in those countries with larger economies, whereas legislation for the smaller countries is almost non-existent. Yet, also in large economies, effectiveness of innovation policy is very low and a coherent strategy for innovation is often lacking.

Our review of the Pacific countries' legislation served different purposes. First, it provided Governments, private sector, and foreign investors with a large amount of information concerning the regulatory environment and the measure to support innovation in each country. Second, it has been the background material on which to elaborate of the most detailed and up-to-date comparative overview of innovation policy in the region. From this analysis, it has emerged that, while there are differences in the economic context that are directly related to the composition and strength of the regulatory body of each country, there are some interesting common elements. One of these is the increasing interest in the use of special agencies to guide investment, especially in innovative activities and an increasing set of measures dedicated to attract innovating foreign investments. Finally, the results of this analysis has served – together with the results from our stakeholders interview and firm innovation survey, and the experiences from international best practice – to identify ways on how to improve the policy making in the Pacific region, both as for the process and the content. As for the process, we have emphasized the importance of an extensive pre-design analysis, of a continuous dialogue among the stakeholders, and of measuring the effects of the policy. As for the content, we have argued that to be effective innovation policy needs to support innovation activities that are incremental and imitative. Efforts should be directed to support applied research, engineering activities, and small-scale development and processing. Based on the analysis of the comparative advantages of the Pacific countries, innovation policy should be focusing on two specific areas, namely agro-processing and biodiversity. Given the limited resources, it is important that also the types of innovation activities to be targeted are carefully selected. In particular, measures should be designed to support especially (international) knowledge transfers and cooperation among domestic and foreign companies.

Finally, we have discussed the current and possible future role of the EU in the process of improving innovation policy making in the region. We have identified some elements of weakness in the strategy of the EU concerning the diffusion of results and the visibility of its activities. At the same time, we have emphasized how potentially important the cooperation on innovation issues with Pacific countries could be for EU.

The results of our analysis provide useful insights to guide the dialogue between the Government and all stakeholders in the process of identifying policy instruments, including fiscal, investment, trade, training, research and development, intellectual property protection, standards, and public procurement. Moreover, these policy recommendations are expected to stimulate the collaboration between the private sector, the academics, the public sector, the non-governmental organizations and other relevant stakeholders from both the EU and the Pacific to design effective policies to support the innovation process.

6. Appendix

This APPENDIX includes the three documents on which Section 2 of this Report is based.

Report 1, titled *Review of Legislation in the Pacific Region Affecting Innovation in the Mineral and Natural Resources Sector* was prepared by CNRT. The Report provides a comprehensive review of the current set of policies existing in Pacific countries in different domains (investment, trade, training, research and development, intellectual property protection, standards, public procurement) which may be relevant to innovation in the mineral and natural resources sector. In addition, the document presents the legislation from the same countries concerning mining production and the market for minerals (investment, trade, training, research and development, intellectual property protection, standards, public procurement) that may impact on innovation in the mineral and natural resource sectors.

Report 2, titled *Review of Legislation in the Pacific Region Affecting Innovation and Exploitation of Biodiversity*, was prepared by LCR. For countries in the Pacific Region the document review how legislation regulating investment, trade, training, research and development, intellectual property protection, standards, public procurement may impact on the use of natural resources and innovation in that country. Moreover, the document collect information concerning current policies and potential future innovation programs related to exploring the potential economic benefits that can be developed from the rich biodiversity of the countries in the region, while at the same time ensuring preservation of the environment.

Report 3, titled *Review of Legislation in the Pacific Region Affecting Innovation in Manufacturing Sector*, was prepared by SPI. For countries in the Pacific Region, the review discusses how legislation regulating investment, trade, training, research and development, intellectual property protection, standards, public procurement may impact the manufacturing sector. Moreover, it collects relevant information on current policies and potential future innovation programs relating to innovation in the manufacturing sector of the countries in the region.

7. Review of Legislation in the Pacific Region Affecting Innovation in the Mineral and Natural Resources Sector New Caledonia

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Summary

Project and Client

- This report was compiled for the PACE-Net Plus project, which is coordinated by the Institut de Recherche pour le Développement (IRD) and funded by the European Commission Framework 7 program.
- The Pacific-EU network for Science and Technology is a dialogue platform on science and technology between the European Union and the 15 countries member of the Africa Caribbean Pacific (ACP) Group of the Pacific region, namely Cook Islands, Federate States of Micronesia, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Palau, Papua New Guinea (PNG), Solomon Islands, East Timor, Tonga, Tuvalu and Samoa.

The PACE-NET project also closely involves the Overseas Countries and Territories in the Pacific region (French Polynesia, New Caledonia, Wallis and Futuna, Pitcairn) while Australia and New Zealand will bring to PACE-Net project their long-standing expertise.

PACE-Net pursue the following objectives:

- To reinforce existing science and technology dialogues and networks and promote regional integration for those networks. PACE-NET will seek to increase the cooperation between the research organizations and universities in the region;
- To identify science and technology international cooperation activities and programs towards the Pacific region. The PACE-NET will set up dialogue fora bringing together the relevant science and technology experts and stakeholders to establish the priorities areas.
- To strengthen the coordination of science and technology cooperation and the complementarities with activities and programs carried out by other European instruments.

PACE-NET will examine possible synergies or complementarities with European Union activities, especially with respect to challenges faces by developing countries. In particular, synergies with the European Development Fund shall be found. PACE-Net dialogue activities led will be fed by a preliminary critical and analytical work on the current S&T cooperation landscape in the region. The outcomes of the project will be transmitted to main Pacific fora gathering key stakeholders of the Pacific Islands Countries and Territories.

Objectives

For countries in the Pacific Region:

- Review the current set of policies in different domains (investment, trade, training, research and development, intellectual property protection, standards, public procurement) which may be relevant to innovation in the mineral and natural resources sector.
- Review the legislation concerning mining production and the market for minerals (investment, trade, training, research and development, intellectual property protection, standards, public procurement).

Methods

The Review was conducted in two stages:

- A search of legislation and policies available on the Internet for countries in the Pacific Region. The search strategy consisted of reviewing publicly-available reports and legislations published by national governments and international organizations. This was not a comprehensive review of all available information sources and some sources may have been omitted involuntarily. The aim of the review was to provide an introductory summary on the main bodies of legislation, as an input for policy discussion and a stepping-stone for entrepreneurs interested in investing in the Pacific.
- A review of the potential effects of legislation on innovation in the mineral and natural resources sector.

Results

- Legislation is highly heterogeneous across the countries in the Pacific, despite the fact that many countries are members of the Commonwealth. Important bodies of legislation exist in those countries with larger economies, whereas legislation for the more isolated countries is almost non-existent.

Conclusion

Many countries in the Pacific have not been able to boost economic growth because of their insularity, isolation, and socio-political issues. Consequently, innovation has not been a priority for development and policy-making. For these countries, it is important to take into account that promoting innovation and sustainable investment may need to occur in stages, after economic foundations have been properly established.

8. Introduction

Regulation is one of the activities of governments which can have a profound impact on the level and direction of innovation, both in specific sectors and in the economy as a whole. Indeed, the government has the power to create a regulatory environment that facilitates, sustains or impedes the creation and growth of new business ventures. Consequently, this has an impact on research and innovation.

While economically advanced countries have adopted efficient technologies, developing countries face the difficulty to benefit from global knowledge and technology and to use it in their domestic context. Innovation depends significantly on overall conditions in the economy, governance, education and infrastructure. Such framework conditions are particularly problematic in some Pacific countries, but innovation policies facilitate the creation of an environment for broader reforms. Indeed, innovation could help Pacific Island Countries overcome geographic and infrastructure challenges and help them to connect their small, remote islands to the rest of the world.

Some organizations also support the governments in their objective to develop legislations which can attract investments and lead to innovation.

At the University of the South Pacific, the Pacific Centre for Entrepreneurship serves as a focal point for academic research and education into entrepreneurship and small business development. It provides a nexus between research and teaching, policy and practice.

The assessment of the ultimate impact of regulation on innovation is empirical, on a case-by-case basis, and depends on the balance between innovation-inducing and innovation-constraining factors, which include compliance costs generated by regulation.

Prior to proposing policy measures to improve innovation activity in the Pacific, a clear picture of all current policies, instruments and measures employed to favor innovation is needed. Policies that may affect innovation can be found in different domains (fiscal policies, investment policies, trade policies, intellectual property protection, standards, public procurement, training, research and development programs), and at different administrative levels. The purposes of this Review, within the context of Objective 1 of Task 4.4 of the PACE-Net Plus project *Description of Work*, are as follows:

- Task 1: Review the current set of policies in all the different domains above discussed (investment, trade, training, research and development, intellectual property protection, standards, public procurement) which may be relevant to innovation in the mineral and natural resources sector.
- Task 2: Review the current and future policies and innovation programs in the mineral and natural resources sector.

The representative of UNIDO, Michele di Maio, confirmed in a personal communication from 14th May 2016, that the focus of this review is not only on the mining sector but it also include natural resources in general and, furthermore, that this report is not intended to be an empirical exercise, but rather an educated opinion.

9. Methodology

This review was conducted in two stages:

A search of legislation and policies available on the Internet for countries in the Pacific Region. The search strategy consisted of reviewing publicly-available reports from national and international organizations. The aim of the review was to provide an introductory summary on the main bodies of legislation, as an input for policy discussion and a stepping-stone for entrepreneurs interested in investing in the Pacific states.

A review of the current and future policies and innovation programs and their potential impact of legislation on innovation activity in the mineral and natural resources sectors.

This review included an analysis of:

- General regulations affecting the expected costs and benefits of innovative activity by altering the business environment;
- Innovation-specific rules affecting incentives to innovate;
- Sector-specific regulations affecting innovation.

This review aims to identify obvious and direct effects between legislation and innovation in the mineral and natural resources sector. However, a full assessment of all factors is outside the scope of this report. After a careful analysis of available legislations, a global overview is provided for each country.

The review was based on the opinion expressed by the author and other sources identified during the Internet search.

10. Review by country

Overview

Information existed mainly for the larger economies of the Pacific such as New Caledonia, Samoa and Fiji; whereas very few resources could be found for smaller economies, such as Niue and Pitcairn.

10.1 The Cook Islands

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
Investment	<p>The Development Investment Act 1995 lays down that all foreign organizations or companies that want to set up an enterprise must first obtain approval and register their planned activities.</p> <p>Foreign investors wishing to carry on business in the Cook Islands must submit an application for Foreign Enterprise Registration to the Business Trade Investment Board.</p>	<p>Registration may increase compliance and administrative burdens, but this may be negligible depending on the size of the investment. However, it seems that delays may occur.</p> <p>Registration may also formalize and increase the visibility of some economic activities.</p>
Trade	<p>A Custom Tariff Act has been adopted in 2012. However, it is uncertain if it is correctly implemented since very few information exist on this subject.</p>	<p>Its effects on trade of mineral and natural resources are uncertain.</p>
Training	<p>The University of the South Pacific Cook Islands (USPCI) trains a few students in Economic Policy (as part of an initiative by the Ministry of Finance), Project Management (in conjunction with Auckland University of Technology), Business Administration and Science in Sustainable Development for Small Islands States.</p> <p>Indeed, the USPCI is exploring the possibility of recruiting a cohort of 15 graduates to take the Masters in Science in Sustainable Development</p>	<p>The existence of the USPCI is positive, despite its very small size. Other partnerships should be created with New Zealand to improve training.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	for Small Islands States program to develop local research capacity and critical thinking in development planning.	
R&D	No resources found	
Standards	No resources found	
Procurement	Section 63 of the Ministry of Finance and Economic Management (MFEM) Act 1995 - 96 governs public procurement in the Cook Islands. This section empowers the Ministry of Finance and Economic Management's to issue instructions to ministries and line agencies to ensure compliance with financial disciplines, and the Cook Islands Government Financial Policies and Procedures Manual 2013 (CIGFPPM).	<p>The Cook Islands public procurement system has some major weaknesses. The Government Financial Policies and Procedures Manual 2013 contains section relating to procurement, but it has gaps as well as some bad practice provisions, and is in need of a major adaptation.</p> <p>Standard procurement documents do not exist and procurement planning is poor to non-existent. This has a number of negative impacts including contributing to the fact that the budget is not fully spent, the inability to undertake bulk procurements and unrealistic timeframes for submission of tenders. Ministries and SOEs do not produce and publish annual procurement plans.</p> <p>The quality of procurement performance in practice is an area of major weakness. The private sector expressed concerns about the</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
		<p>competence and choice of evaluation panel members.</p> <p>Ministries and state owned enterprises do not have dedicated procurement staff.</p> <p>The Cook Islands, like many other small island states, has insufficient human resources to be able to staff effective procurement units in all ministries and state owned enterprises. It is recommended to centralize procurement which will enable far greater value for money to be achieved, thus resulting in major cost savings for Government.</p>
	<p>On 25 October 2011, the Cook Islands Government published its Roadmap to improve the Public Financial Management Systems by June 2015. For procurement, it proposes the establishment of a centralized database of approved public tenders and approved tender waivers, review of the Cook Islands Government Financial Policies and Procedures Manual to improve tender procedures by incorporating good practice (including the publication of successful tender awards in the local media as well as on the Ministry of</p>	<p>It is uncertain if the Roadmap significantly changed the business environment and had a positive effect on innovation and investment.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>Finance and Economic Management’s website), public complaints to be addressed by the Office of the Ombudsman, and a review of the entire procurement system and formal procedures for complaints and dispute resolution.</p>	
	<p>The Procurement Portal Cook Islands, a web-based portal service, has been set up to improve the access to Cook Islands Government tender opportunities, procurement policies, Capital and National investment plans and other procurement related activities.</p> <p>The Portal was designed to promote transparency, value for money and fair competition with regards to Cook Island Government Procurement Activities.</p> <p>Registering for email notifications on current tender and latest bidding opportunities will soon be made available via the site.</p>	<p>This existence of this service facilitates investment in the Cook Islands and therefore innovation.</p>
	<p>The Purchase and Sale of Goods and Services Cook Islands Government Policy 2014 has been designed to ensure that all Cook Islands agencies conduct all sales and purchasing activity in a uniform manner which is</p>	<p>This policy is a positive step towards transparency. However, its effects remain uncertain for the moment.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>open, transparent and obtains value for money for the government.</p>	
Intellectual Property	<p>The Cook Islands do not have an independent intellectual property system of their own. However, patent protection obtained in New Zealand extends to the Cook Islands.</p> <p>There is currently no trade mark legislation enacted in the Cook Islands to be able to register trade marks in this jurisdiction. Publication of a cautionary notice in a local newspaper and genuine use of a mark in the jurisdiction are therefore the most effective ways to protect trade mark rights in the Cook Islands.</p>	<p>Investors sector might be satisfied to obtain their patents in New Zealand where legislation is transparent and stable. Therefore, this legal situation might have a positive impact on innovation.</p>

Review of the current and future policies and innovation programs in the mineral and natural resources sectors

Land ownership The Leases Restrictions Act 1976 does not allow freehold ownership of land. Anyone may lease land for up to five years. Any longer period up to a maximum of 60 years has to be approved by a Committee established under the Act. The Committee's principal function is to regulate leasehold to people other than Cook Islanders and permanent residents.

The land lease restrictions may repel investors wanting to invest on a long term land to explore and exploit mineral or natural resources. This, in return, may have an impact on innovation.

Natural resources No resources found.

Mineral resources No resources found.

Deep sea mining In 2009, following extensive consultations, the local government adopted the Seabed Mining Act. This then was the first legislation in the world on the subject. The main objective was to establish a legal framework for the effective management of seabed minerals Cook Islands, while improving the economy of the Cook Islands in attracting investors.

Section 5.5 notes that the local government exercises control over the mineral resources of the seabed of the exclusive economic zone of the Cook Islands.

The 2009 Act provides:

- The establishment of the Seabed Mineral Authority. The latter is responsible for the implementation of all applicable regulations and management in this sector.

This Authority is currently working on developing regulations regarding both the financial management of future revenues from mining of the seabed and the environmental management of these future activities in the exclusive economic zone.

-The creation of an advisory board, the Seabed Minerals Advisory Board, to counsel the authority, particularly in terms of resource management, credentialing

and conclusion of mining agreements.

The 2009 Act provides that the Authority will issue:

-Non-exclusive prospecting licenses granted on request for a period of two years renewable for two years. Prospecting may possibly be subject to certain obligations;

-Exploration license granted through an exclusive invitation to tender issued by the authority or at the request of the applicant published in a national newspaper on a "block" declared vacant 4-year renewable term by 2 years. However, minerals remain the property of the State. Exploration licenses are all linked to obligations.

-Exclusive mining licenses for the extraction and exploitation of minerals as well as exploration operations attributed either to the holder of a conservation lease or exploration license. These licenses are granted for a period of 15 years renewable for a period of 10 years or for the alleged remaining operating life .The mining licenses are all linked to obligations.

In addition, the law also provides that the Minister of Natural Resources, on behalf of the Government, can negotiate an agreement with a mining company to facilitate the conduct and financing of such activities.

The Income Tax Amendment Act 2013, together with the Seabed Minerals (Royalties Regulations 2013 formalized the tax framework for the mining industry (including seabed mineral mining).

In addition to normal company taxes, mining operations are required to pay a 3% royalty on the value of minerals they extract. They are also required to pay a resource rent tax (or additional profits tax) on any profits they derive beyond a certain level.

The resource rent tax has been set at a tax rate of 25 per cent after positive cash flows exceed costs by 20 per cent.

This regime ensures the Government receives revenue from the royalty as soon as production commences, company tax on profits made, while also providing the government a share of the economic rents (or profits derived from resource extraction) of more profitable projects.

Other taxes that will relate to the mining sector are non-resident withholding taxes, VAT, and company tax.

To ensure that the company tax system is able to cope with the mining activities and associated significant international transactions, a number of other reforms were also put into the legislation. These changes will apply to all companies in the Cook Islands, but in practice, will largely affect only mining company operations.

The changes include: introducing thin capitalization rules (to prevent financing through excessive debt); strengthening the transfer pricing rules (rules governing charges between related entities) by introducing an arm's length rule and specifying acceptable methods for determining arm's length prices; ensuring income from mining activities is treated as Cook Islands source income; and ring-fencing mining expenditure to specific projects, except for unsuccessful mining exploration expenses.

A number of provisions under the current law that are likely to be important to mining companies have been retained, including: the current company tax rates (20% for resident companies and 28% for non-resident companies); capital allowances (depreciation rates) based on the useful life of the asset; and unlimited loss transfer (except for substantial changes of ownership).

For the moment, no research institution exists in the field of deep sea mining. Links might be created with research institutes in New Zealand to foster research on this sector.

In 2012, the Cook Islands government, traditional Maori leaders and local communities declared the Cook Islands Marine Park. It is uncertain if this will have any impact on innovation in the deep sea mining industry.

Renewable energy The Cook Islands are a member of the Pacific Islands Energy Policy and Strategic Action Planning (PIEPSAP), which supports the development of national energy policies, strategic action plans, and practical mechanisms to implement these in the 14 participating PICs. Its goal is to establish national energy policies, plans and mechanisms which will influence national efforts toward achieving reliable, affordable, and environmentally sound energy for sustainable development of the Pacific ACP Countries. PIEPSAP has significantly contributed to the creation of knowledge concerning energy resources and the potential for developing these resources in the partner countries. However, it is difficult to determine whether its inputs for promoting energy efficiency, renewable energies and better energy sector management were critical or not. PIEPSAP invested considerable resources to analyze the critical energy sector issues in the individual countries. It also identified constraints and possibilities for developing the energy sector nationally.

10.2. Federated States of Micronesia (FSM)

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
Investment	<p>The individual states of the FSM regulate all foreign investment directly, except in the areas of deep ocean fishing, banking, insurance, air travel, and international shipping, which are regulated at the federal level.</p> <p>The national law establishes three categories (Red, Amber, and Green) to distinguish between prohibited business, restricted business, and unrestricted business respectively.</p> <p>Industry classifications in this system vary from state to state. Thus, a venture planning to operate in more than one state must obtain separate permits in each, and often follow different regulations as well. Some industries have been given a national classification:</p> <ul style="list-style-type: none"> -National Red: Arms manufacture, minting of currency, nuclear power, radioactive goods; -National Amber: Increased scrutiny before approval for non-traditional banking services and insurance.; -National Green: Banking, fishing, air transport, international shipping. <p>The Duration of Permits depends on the type of business: ten years for businesses providing professional services; 55 years</p>	<p>Having separate bodies of legislation in each state increases transaction costs, as well as compliance and administrative burdens. This separation deters investment as contradictory decisions may occur between local decision makers.</p> <p>Lack of public coordination increases uncertainty around the country's capability to adequately receive and manage significant investment.</p> <p>Furthermore, restricting activities in a number of areas reduces funds availability and discourages innovation.</p> <p>FSM is considered one of the lowest ranked countries in the world in its friendliness to foreign investment according to a variety of different organizations. Creating and implementing FSM foreign investment law is under the purview of both the National Government and each of the four State Governments. The process of a foreigner investing in the FSM can be long, expensive,</p>

for those businesses that meet certain capital investment criteria; and 25 years for everyone else. Businesses are required to submit an annual report to ensure they are in compliance with the law. This aspect has not changed from the previous investment law.

confusing, and subject to changes on a case by case basis. Although the national law provides some general guidelines, the states' laws vary widely in the sectors in which they allow foreign investment, the process through which a foreign investment permit is granted, and in rules of ownership.

It is likely that separate legislation hampers proper monitoring of activities in the mineral and natural resources sector.

There is no government agency tasked with developing an industrial strategy. However the 2023 Planning Committee organized by the president, made recommendations for growth in all sectors, but without substantive measures to realize those goals.

Investors in FSM are protected against unexpected currency fluctuations thanks to the use of the U.S. dollar as the national currency. Moreover, the fiscal system is very attractive since it has very low corporate taxes. However, geographical isolation, insufficient development of infrastructures as well as a shortage of airline connections constitutes important hindrances to foreign investment in FSM.

The FSM does maintain a website for the promotion of foreign investment in each of the four states. The website lists some available projects and also provides some basic information on the application

process. The address of the website is <http://www.fsminvest.fm/>. There is also an “Investment Guide” located on the website of the Department of Resources and Development which can be found at <http://www.fsmrd.fm>. No foreign investment incentives were reported.

In 2011, the state of Pohnpei adopted its amended Foreign Investment law. Tit succeeds to the old Pohnpei Foreign Investment Board, replacing it with a “Registrar of Corporations.” The system is intended to improve transparency and streamline the process of granting a foreign investment permit with a single director appointed by the Governor. The Registrar of Corporations does have the power to approve foreign investment permits. However, the Registrar does not function independently. It is instead overseen by the Discretionary Review Panel on Foreign Investment Permits.

Despite the government’s efforts to make investing in FSM more transparent, it is unlikely that investors will feel safe as long as the Register of Corporations does not function independently.

Trade

There is no law or agency governing competition in the FSM.

Under treaty arrangement, the FSM has no quota restrictions to US markets for domestic or value-added products.

The FSM also enjoys preferential market access to other Pacific island countries including New Zealand and Australia. Under the South Pacific Regional Trade Economic Cooperation Agreement (SPARTECA), a non-reciprocal trade

Lack of a competition law increases uncertainty around the country’s capability to adequately receive and manage significant investment. Lack of market power regulation may allow excessive exploitation mineral and natural resources.

However, low taxes, access to regional markets and subsidized water and electricity may attract

agreement, Australia and New Zealand investors. The impact on offer unrestricted duty-free access to innovation is uncertain.

virtually all products originating from developing member countries, provided certain rules of origin are met. Potential for duty-free access to Japan and other Asian markets also exists.

All exports of products as well as re-exports of import products are tax free.

Water and electrical services in all four states of the nation are government-subsidized and the taxes are low.

Training	No resources found.	The labor force is young and relatively inexpensive. However, there seems to be a lack of education and training.
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Research and Development	No resources found.
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Standards	No resources found.
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Procurement	No resources found.
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Review of the current and future policies and innovation programs in the mineral and natural resources sectors

Land ownership Foreign ownership of land is not permitted and lease terms are controlled exclusively at the state level. Kosrae law allows for a 55 year lease renewable for an additional 55 years, Chuuk law allows for up to 99 years, Pohnpei for 55 years renewable up to 99 years, Yap for no more than 100 years, and the FSM National Government for up to 99 years.

Natural resources No resources found.

Mineral resources Included in the Green category is:

- a Preferred Joint Venture Sector which requires at least a 60% investment held by citizens of the FSM;
- an Initial Capitalization Sector which requires an initial capitalization of US\$250,000 or more, or US\$50,000 in the case of a professional service;
- a Special Investment Sector to include exploration and development of land or mine based mineral resources, and exploration, cutting and milling of naturally occurring timber resources. The Special Investment Sector requires at least a 51% ownership by FSM citizens.

Deep sea mining No resources found.

10.3 Fiji

Renewable energy FSM are a member of the Pacific Islands Energy Policy and Strategic Action Planning (PIEPSAP) which supports the development of national energy policies, strategic action plans, and practical mechanisms to implement these in the 14 participating PICs. Its goal is to establish national energy policies, plans and mechanisms which will influence national efforts toward achieving reliable, affordable, and environmentally sound energy for sustainable development of the Pacific ACP Countries.

It has significantly contributed to the creation of knowledge concerning energy resources and the potential for developing these resources in the partner countries. However, it is difficult to determine whether its inputs for promoting energy efficiency, renewable energies and better energy sector management were critical or not. PIEPSAP invested considerable resources to analyze the critical energy sector issues in the individual countries. It also identified constraints and possibilities for developing the energy sector nationally.

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
Investment	<p>The Foreign Investment Act 1999, the Foreign Investment (Amendment) Act 2004 and the Foreign Investment Regulation 2009 govern the facilitation, registration and regulation of foreign investment in Fiji.</p> <p>The governmental body Investment Fiji is responsible for the promotion, regulation, and control of foreign investment in the interest of national development. Investment Fiji pursues this task in conjunction with relevant government ministries.</p> <p>Government approval is required for all foreign investment in Fiji. All businesses with a foreign-investment component in their ownership are required to obtain a Foreign Investment Registration Certificate from</p>	<p>Registration may increase compliance and administrative burdens, but this may be negligible depending on the size of the investment. However, Fiji has increased the difficulty of starting a business by adding a requirement to obtain a tax identification number in cases where a taxpayer is believed to be deriving income in Fiji or has the liability to account for VAT and has not registered, and by requiring new companies to apply for a business license to obtain a certificate from the</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>Investment Fiji prior to establishing a business in Fiji. Investment Fiji is responsible for the promotion, regulation, and control of foreign investment in the interest of national development.</p> <p>The Foreign Investment Act stipulates that the approval process for investment applications should take no longer than 5 working days. In practice, the process takes between 5-10 working days. Depending on the nature of the business, however, investors may also be required to obtain permits and licenses from other relevant authorities and should be prepared for delays.</p>	<p>national fire authority and a letter of compliance from the Ministry of Labor.</p> <p>Registration may formalize and increase the visibility of some economic activities. However, delays might hinder investment.</p>
	<p>The government is developing an Investment Approval Tracking System (IATS) to enable online applications for an FIRC. Investors are also required to obtain the necessary permits and licenses from other relevant authorities and should be prepared for delays.</p>	<p>An online system may speed up registration. However, it seems that delays may occur. Online applications may formalize. It is questionable if this might increase the visibility of some economic activities.</p>
	<p>Investors are required to meet the requirements listed under the FIA and the 2009 Foreign Investment Regulation, as well as ensure the investment activity is not under the Reserved and Restricted Activities list.</p>	<p>Activities in the mining sector never seem to be on the Reserved and Restricted Activities list.</p> <p>Restrictions on activities affect the availability of funds from foreign direct investment. Innovation may be</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
		<p>hampered in the mineral and natural resources sectors which are capital intensive, because Fijian nationals may not have the resources to invest or innovate. Some flexibility may exist through joint ventures, which would encourage small-scale innovation. However, Fiji increased the difficulty around transferring property by requiring the parties to obtain a capital gains tax clearance certificate from the Fiji Revenue and Customs Authority.</p>
	<p>In 2013, the government amended the Foreign Investment Decree with provisions to permit the forfeiture of foreign investments as well as significant fines for breaches in compliance of foreign investment registration conditions.</p>	<p>There is increased uncertainty for investment activities because of the operational aspects of this amendment. Political reasons may spur an initiative to forfeit investments; in the medium-run this amendment may deter foreign investment and other innovation activities.</p>
	<p>The Fiji Islands Trade and Investment Bureau (FTIB) is mandated to promote, stimulate and facilitate trade and investment in Fiji under</p>	<p>The existence of this Bureau may facilitate gathering information on and identifying</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>the Foreign Investment Act 2004, as well as registering foreign direct investment. Fiji has liberalized and rationalized its foreign investment regime and some of the major reforms include:</p> <p>The amendment of the Foreign Investment Act 1999 in 2004 to make the FTIB a registration agency and not just an investment approval agency.</p>	<p>resource or investment-related research. Fiji decreased the cost of taxes for companies by reducing the profit tax rate. At the same time, Fiji introduced capital gains tax and made paying taxes more complicated for companies by transferring the fringe benefit tax liability from employees to employers, and by limiting the deductibility of mandatory contributions.</p> <p>There is a risk that this institutional framework deters investment and innovation activities because of high transaction costs (e.g. informal payments to bureaucrats, impact of political agendas), increased uncertainty regarding the rule of law, and the discretionary nature of policy decisions.</p>
	<p>Bankruptcy arrangements, a major factor determining the ease of closing businesses, are deficient. It takes on average 1.8 years to close a business, and costs some 38% of the estate in fees. Creditor recovery rates are low (20.2% of debt).⁽⁸⁾</p>	<p>With bankruptcy arrangements unavailable, exit strategies in case an investment is not successful cannot exist, and significant transaction costs on reverting investment decisions may occur. These issues are</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
		incorporated into investment planning and deter entrepreneurs from entering the Fiji economy. It is uncertain if unavailability of bankruptcy arrangements deters exploitation of mineral and natural resources.
	In 2006, the Ministry of Public Enterprises formulated a comprehensive program of reorganizing, restructuring, corporatizing and privatizing state owned enterprises to accelerate divestment.	It is unclear if there was an influx of funds and if privatization considered foreign participants.
	Fiji is a signatory of the Multilateral Investment Guarantee Agency (MIGA), an independent agency of the World Bank mandated to help facilitate increased flows of foreign direct investment to developing countries. Its core area of business is providing political risk insurance to foreign investors; available risk coverage, currency transfer/inconvertibility, expropriation and breach of contract.	Support to innovation in the mineral and resources sector might be brought by MIGA.
	A 5 year tax holiday is available to a taxpayer undertaking a new activity in renewable energy projects and power cogeneration as approved by the Commissioner. Duty free importation of renewable energy goods is also	Those tax incentives might attract investors wanting to innovate in the field of renewable energies, for example creating electricity

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	available.	with copra.
	<p>A 10 year tax holiday is available to a taxpayer undertaking a new activity in processing agricultural commodities into bio-fuels as approved by the Commissioner from 1 January 2009 to 31 December 2014. To qualify, the taxpayer must have a minimum level of investment of \$1,000,000 and employ 20 local employees or more for every income year.</p> <p>There is also a duty free importation of plant, machinery and equipment for initial establishment of the factory and a duty free importation of chemical required for biofuel production.</p>	<p>Those tax incentives might attract investors wanting to innovate in the field of renewable energies, for example creating electricity with copra.</p>
	<p>To encourage development in the northern and maritime regions of Fiji, each has been declared a Tax Free Region. Businesses that are established in such a region and meet the prescribed requirements will enjoy a 13-year corporate tax holiday and import duty exemption on raw materials, machinery, and equipment.</p>	<p>The impact on mineral and natural resources is uncertain.</p>
	<p>Under section 16 of the Income Tax Act (revised in 2016), the minister can grant a tax holiday to a mining company for a number of years depending on the submission and their application for a tax holiday.</p> <p>Duty free import of all specialized equipment</p>	<p>Those tax incentives might attract foreigners wanting to invest in the mining sector. By saving the costs of paying income taxes, they might spend more in research and</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>except hand tools of a kind of general purpose items for two years from the date of approval</p> <p>3.</p> <p>Loss carry forward of 8 years (previously was for 6 years loss to be carried forward but now is 8 years loss to be carried forward).</p> <p>20% accelerated depreciation allowance (applies for buildings, company can apply for 5 year and have to provide engineers certificate and submit application).</p>	development to innovate.
Trade	<p>The Fair Trading Decree 1992, which is Fiji's consumer protection and competition law, was amended extensively in 1998, to include – among others- intellectual property rights, state-owned entities, and trade unions.</p> <p>Since 2010, the Commerce Commission is responsible for administering the competition provisions of this decree.</p> <p>The Commerce Act 1998 regulates access to services.</p>	<p>The existence of institutions may reduce uncertainty in trade. Furthermore, Fiji made trading easier by opening up access to customer care service centers and improving customs operations.</p>
	<p>The Fiji Commerce Commission is the statutory organization responsible for fair trade, competition and consumer protection.</p> <p>It was initially established in 1998 under the Commerce Act 1998.</p> <p>In 2010 the Fiji government passed the Commerce Commission Decree 2010 which gave the Commission more responsibilities</p>	<p>The existence of such institutions facilitates investment and innovation.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	that notably included price control.	
	The Fair Trading Decree (Amendment) Act 2005 gave the Commission greater investigatory powers. The Department of Fair Trading and Consumer Affairs still administers legislation on consumer protection, including provisions on mock auctions, door-to-door sales, consumer conditions and warranties, information and safety, enforcement, and remedies.	Some uncertainty may be reduced as institutions exist for regulation in a number of economic areas. It is uncertain if these regulations also apply to trade in mineral and natural resources goods.
	Tariffs are the major trade policy tool used by Fiji to control imports. However, other non-tariff measures such as import licenses, internal taxes and regulations apply to imports as well.	Tariffs applied to resources needed for investment and innovation may raise costs. Furthermore, although the tariff structure has been simplified, applied most favored nations tariff rates have continuously edged upwards, what seems inconsistent with the Government's stated goal of gradual tariff reductions. This increase may hinder innovation.
	The Foreign Investment Approval and Tracking facilitates foreign investors to apply online to start up a business in Fiji. The Company and Business Registration facilitates business registrations for local and	This might reduce bureaucratic delays and therefore have a positive effect on environment.

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>foreigners.</p> <p>The Customs Act 1986 and the Customs Regulations 1986 have been amended to facilitate trade. Furthermore, the Fijian Customs signed Memorandums of Understanding with several foreign counterparts, including Australia and New Zealand, to enhance cooperation and mutual administrative assistance.</p> <p>Computerization has been extended to allow shipping manifests to be submitted and processed electronically.</p>	<p>This Act would facilitate transactions and reduce compliance and administrative burdens. Fiji has improved its customs operations, and adopted the transaction value method. However, according to the World Trade Organization, obstacles to imports allegedly remain and they include a lack of impartial application of laws, regulations, and judicial decisions; no effective, formal, private-sector consultation mechanism or effective advance ruling system; excessive and time-consuming documentation requirements and corrupt practices.</p>
	<p>The Government provides a wide range of export assistance in order to increase investment in exporting activities. The Government is also working on ensuring that all its incentives, including the concessionary finance facilities administered by the Reserve Bank of Fiji to assist exporters, namely the Export Finance Facility (EFF) and the Export</p>	<p>Government assistance may crowd out private funding and the development of the financial system. However, this assistance may spur innovation in areas that would not have access to bank loans.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>Credit Ratio (ECR), are consistent with rules of the World Trade Organization.</p> <p>Exporters benefit from duty drawback and suspension, although administration of these measures is reportedly complex and utilization difficult. High tariffs on raw materials and intermediate inputs necessitate such administratively difficult and imperfect schemes if they are not to penalize exports.</p>	
	<p>Fiji maintains extensive price controls, which are administered by the Prices and Incomes Board (Counter Inflation Act 1973).</p>	<p>Price controls may deter investment and innovation because of effects on profitability. Restrictions on activities may limit exploitation of natural resources.</p> <p>Some fuel activities are price controlled. However, sales to major industrial users such as Emperor Gold Mines are not controlled. They may receive differential rates of government subsidies through lower specific rates of fiscal duty. Price-controlled sales are based on the pricing formula contained in the Petroleum Pricing Template, which constructs prices by</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
		<p>adding to the imported free on board price freight, insurance, exchange rate adjustments, demurrage and losses, operating costs, headquarter costs for oil companies, fiscal duty and taxes, distribution costs, and investment returns of oil companies.</p>
	<p>The 2006 National Export Strategy has identified certain priority sectors for export growth but they don't include mineral and natural resources.</p>	<p>The National Export Strategy has identified certain priority sectors for export growth and it does not include mineral and natural resources.</p>
	<p>Fiji is party to a number of regional and international trade arrangements, including the South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA), an interim Economic Partnership Agreement (iEPA) with the EU, and the WTO Generalized System of Preferences (GSP). Under SPARTECA, Fiji has broad, duty-free access to the markets of Australia and New Zealand for its exports, subject to certain exceptions and limitations.</p>	<p>Fiji's integration in PACER PLUS will help the country benefit from enhanced regional trade and economic integration, to enhance private sector growth, and boost trade negotiations. Those will include elements of trade capacity-building and trade development assistance.</p>
	<p>In November 2007, Fiji signed an interim EPA (iEPA) on trade in goods, replacing the trading section of the Cotonou Agreement, which secures preferential access to the EU</p>	

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>market for some Fiji exports. The interim EPA was renewed in 2014. Fiji is also party to the Melanesian Spearhead Group (MSG) and the regional Pacific Island Countries Trade Agreement (PICTA). Since 2014, Fiji is a participant in the Pacific Agreement on Closer Economic Relations (PACER Plus).</p>	
Training	<p>The University of the South Pacific through its Faculty of Science, Technology & Environment offers courses on Mining and Mineral Resources and Geological Mapping. The University of Fiji has a Centre for Climate Change, Energy, Environment and Sustainable Development</p>	<p>Despite the presence of those universities, Fiji continues to face a “brain drain”, with many skilled and professional workers migrating overseas. In 2013, the Fiji Higher Education Commission announced that it would offer mining courses to meet the higher demand of mine workers due to the expected growth of Fiji’s mining industry. However, from information available on the internet, it doesn’t seem that those courses exist yet.</p>
Research and Development	<p>Foreign firms may participate in government financed or subsidized research as well as development programs, as technical and in-country capacities is limited. However, those programs are usually financed by foreign development partners and donors who may apply conditions and limitations.</p>	<p>Research and Development, even backed up by foreign institutions, may increase innovation in the areas where research is focused.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
Standards	Fiji is a member of various organizations that deal with standards and technical requirements, and uses international standards in order to facilitate trade. Workplace safety laws and regulations exist and safety standards apply equally to both citizens and foreign workers.	Standardization with international references may facilitate trade and reduce administrative and compliance burdens. However, many work areas did not meet standards, and not all were monitored for compliance by the Ministry of Labor. Those standards set references for the exploitation of mineral and natural resources.
<p>The National Environment Strategy recommended the creation of Environmental Management Units in line ministries to be responsible for resource use management. A National Land Use Plan project has been drafted by the Ministry of Agriculture.</p> <p>Procedures to regulate natural resources extraction are being established including monitoring and audit of extraction operations.</p>		
Procurement	The Ministry of Finance is responsible for formulating Government procurement procedures and agencies must meet the regulations in the Finance Act, 2005. The main objective is to improve the efficiency of government procurement and to reduce corrupt practices. The Government planned to introduce a new financial management initiative on government procurement in 2008	Although the government has made some positive efforts, there is a perception among foreign investors of a lack of transparency in government procurement and approval processes. Some foreign investors have encountered lengthy and costly

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>and to establish an Independent Procurement Agency. Reforms in government procurement are also implemented to streamline in particular the bureaucratic approval processes, which are often barriers to the timely implementation of development projects.</p>	<p>bureaucratic delays, shuffling of permits among government ministries, inconsistent and changing procedures, lack of technical capacity, and slow decision-making.</p> <p>This new management initiative may bring flexibility for procurement processes and broaden the participation of potential investors. Thus, it may be expected that innovation would be tied to the greater availability of funding.</p> <p>It is uncertain if this new procurement scheme will affect the mineral and natural resources sectors.</p>
Intellectual Property	<p>Section 9 of the 1990 Constitution of Fiji provides a first stage guarantee for investors, against the compulsory acquisition of property (including mining tenements) except (and only with an order authorized by the Supreme Court) in certain specified condition spelt out in the Constitution.</p>	<p>The existence of legislation around intellectual property reduces uncertainty in ownership of rights derived from innovation. Fiji's Copyright Laws are in conformity with World Trade Organization Trade Related Aspects of Intellectual Property (TRIPS) provisions. However, while copyright</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
		<p>laws adhere to international laws, and provisions are available for companies to register a trademark or petition for a patent in Fiji through the Office of the Administrator General of Trademark, Patents, Designs and Copyrights, the enforcement of these laws remains inadequate and may hamper innovation. Furthermore, there is no protection for designs or trade secrets.</p>
	<p>Fiji has its own independent intellectual property system. Stand-alone patent and trade mark applications can be registered through the Fijian Patent Office.</p> <p>Registration of existing corresponding UK applications are also accepted.</p> <p>Two types of patent applications can be sought in Fiji:</p> <ul style="list-style-type: none"> - a national Fijian patent application – a registration of a UK patent within three years of the date of issue of the UK patent. <p>There are two types of trade mark registration systems in Fiji:</p> <ul style="list-style-type: none"> -a stand-alone registration, not based on an existing foreign registration. 	<p>Investors in the mineral and natural resources sector might be satisfied to obtain their patents in the United Kingdom where legislation is transparent and stable. Therefore, this legal situation might have a positive impact on innovation.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	-a registration based on an existing, corresponding United Kingdom registration.	
	Fiji is a member of the Convention establishing the World Intellectual Property Organization	The adhesion of Fiji to this convention reduces uncertainty in ownership of rights derived from innovation.
	The Copyright Act of 1999, Trademarks Act of 1933, Patents Act of 2003, Merchandise Marks Act of 1933, Industry Emblem Act of 1973, and the United Kingdom Designs Protection Act of 1936 operate to protect the intellectual property rights of creators in Fiji.	The existence of legislation around IP reduces uncertainty in ownership of rights derived from innovation.
	The National Intellectual Property Strategy of December 2011 aims to ensure the establishment of an IP system linked as directly as possible to the pace and characteristics of social development and economic growth. The strategy has implemented three key components: to initiate IP policies and legislative reforms; to modernize the administration of IP, and to strengthen the capacity for enforcement and regulation.	The existence of legislation around IP reduces uncertainty in ownership of rights derived from innovation.
	Copyright laws adhere to international laws, and while there are provisions for companies to register a trademark or petition for a patent in Fiji through the Office of the Attorney General, trademark and patent laws are	The existence of legislation around IP reduces uncertainty in ownership of rights derived from innovation. However, if no proper enforcement occurs,

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>outdated.</p> <p>The Patent Act, the Trade Marks Act 1978, the Merchandise Marks Act, and the Copyright Act (1999) are fully in force since 2000 and the copyright and patents laws have been to improve compliance with international commitments. The enforcement of these laws remains inadequate.</p>	<p>the positive effects of legislation will not be considered in investment planning.</p>
	<p>The Arbitration Act 1965 makes provisions for arbitration in respect of civil matters, which are also applicable in intellectual property related lawsuits.</p>	<p>This may be a further attempt to resolve investment-related discrepancies, but it is unlikely to significantly affect investment or innovation decisions. It is uncertain if arbitration in civil matters will affect the exploitation of natural resources.</p>

Review of the current and future policies and innovation programs in the mineral and natural resources sectors

Land ownership The 1993 Land Use Management Policy seeks to ensure sustainable development through protection of the environment against activities that threaten long-term productive potential. This includes sustainable use of renewable resources, integrating environmental management in planning and development, strengthening institutional capacity for sound environmental management, environmental impact studies for new projects, and prioritizing environmental expenditure according to its contribution to socio-economic development. Conservation and protection measures are to include community education. It was followed by the Fiji Environment Management Act 2005.

The Land Use Decree 2010 has set up a land bank through which native owners can allow government to use their property for development purposes and on-lease it at market rates. Potential investors and farmers can sub-lease or lease land from the State for a period of up to 99 years from the land bank. However, the long processes and the delay to finalize leases often frustrate applicants and therefore reduce the development of the economy in general.

Natural resources Laws of Fiji Chapter 148: Petroleum (Exploration & Exploitation) Act & Regulations – guides and regulates activities relating to the exploration for and exploitation of petroleum resources.

Mineral resources Laws of Fiji Chapter 146: Mining Act & Regulations guides and regulates activities relating to prospecting for and mining precious metals and other minerals in Fiji

Laws of Fiji Chapter 147: Quarries Act & Regulations – provides for the better regulation of quarries and quarrying activities

The Mining Act protects the investor’s right to continue exploration and development programs.

The guiding principle of Fiji’s mineral investment policy is that Government assumes that the grant of an exploration license implies a right to proceed to eventual project development, subject to the license holder maintaining a vigorous geological and/or feasibility study program approved by the Minister of Mineral Resources.

The Mineral Resources Department, Fiji's national geological survey and mining organization, develops mining policies and provides geologic information to assist mining investors. The MRD also facilitates the exploration for and development of mineral and petroleum resources in the country (Mineral Resources Department, 2011). On July 20, the Government published Mining Act (Amendment) Decree 2010 (Decree No. 39 of 2010), which contains a new section (17A) that defines land as including water and land covered by water. Mining Act Cap 146, Section 54 - (1) states that "All minerals obtained in the course of prospecting or mining operations shall be liable to the prescribed royalties and no mineral shall be exported unless such royalties are paid or secured in accordance with the prescribed conditions."

**Deep sea
mining**

The Mining Act 1978 and Regulations Cap 146 sets out the mandatory requirements governing the regulation and management of the mining industry in the Fiji Islands. However, this statute accompanied by the Continental Shelf Act 1978 and the Marine Spaces Act 1977 fail to address in any detail, offshore mineral exploration or Deep Sea Minerals (DSM).

The Continental Shelf Act (1978) and the Marine Spaces Act (1977) provide an interim baseline for determining the outer limits of the territorial sea, exclusive economic zone, and the continental shelf. In 2007, a moratorium has been placed on issuing any exploration license until an Offshore Minerals Policy is formulated and adopted.

Laws of Fiji Chapter 149: Continental Shelf Act & Regulation regulates the protection, exploration and exploitation of the natural resources of the continental shelf of Fiji and of areas within the territorial limits of Fiji.

The Government of Fiji is currently working on the extension of the Mining Code to offshore deep sea mining (DSM). However, the fiscal regime must necessarily be different to reflect the greater risks and the need to stimulate development. Therefore fiscal incentives such as awarding of duty free status may be offered for research and development that are not available for terrestrial mining.

However, since there are no physical borders in the ocean, mining of one area can affect other areas. Hence a binding treaty may be required to prohibit pollution within international waters or an adjoining State's EEZ resulting from activities

10.4 French Polynesia

conducted within Fiji's exclusive economic zone.

Since 2011, Fiji hosts the Deep Sea Minerals Project, which is a collaboration between the Pacific Community (SPC) and the European Union (EU).

This project aims at helping Pacific Island countries to improve the governance and management of their deep-sea minerals resources in accordance with international law, with particular attention to the protection of the marine environment and securing equitable financial arrangements for Pacific Island countries and their people.

Renewable energy Fiji is a member of the Pacific Islands Energy Policy and Strategic Action Planning (PIEPSAP) which supports the development of national energy policies, strategic action plans, and practical mechanisms to implement these in the 14 participating PICs. Its goal is to establish national energy policies, plans and mechanisms which will influence national efforts toward achieving reliable, affordable, and environmentally sound energy for sustainable development of the Pacific ACP Countries.

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
Investment	No resources found on investment in the mineral and natural resources sector.	<p>In May 2014, a law was adopted establishing the tax rules for large-scale investments in hotels and tourist businesses in French Polynesia. It states that qualified investments will receive specified tax benefits, including tax exemptions on imported goods needed for the construction, expansion, or renovation of hotels and other buildings for the tourist industry.</p> <p>In addition, qualified companies are granted exemptions for 15 years from property taxes on any construction they complete and for 10 years on corporate profits, once hotel operations begin. (<i>Id.</i>)</p> <p>The new legislation does not exempt businesses from some other taxes, including the airport tax, and does require them to pay a 2% tax, which will be collected by the customs administration.</p> <p>Since 2004, economic activity has been negatively influenced by domestic political instability. In addition, two mainstays of the economy – pearls and tourism – have under-performed in recent years due to strong competition and declining revenues.</p> <p>The lack of proper legislation may hamper innovation.</p>
Trade	No resources found.	
Training	The University of French Polynesia has a diversified and wide course offer adapted to the local labor market of French Polynesia. As of 2012, it numbers 3051 students plus 40 PhD candidates.	Despite this wide offer, the University ranks among the last within the French system. It may be useful to legislate on the training of professors.

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>The University has five laboratories:</p> <ul style="list-style-type: none"> -Governance and Island Development (GDI), -Traditional and Contemporary Societies in Oceania (Eastco) -Geopole of the South Pacific (GEPASUD) -Algebraic Geometry with applications to the Information Theory (GAATI) -A Joint Research Unit "Pacific Island Ecosystems" (UMR-EIO), in partnership with IRD, Ifremer and Louis Malardé Institute. 	
Research and Development	<p>Regional Delegation for Research and Technology (DRRT): each French region or territory has a regional delegation for research and technology headed by a regional delegate. It is responsible for implementing the Government's metropolitan policy on research and innovation.</p> <p>The French Polynesia DRRT:</p> <ul style="list-style-type: none"> -encourages research agencies in French Polynesia to better work together especially on multidisciplinary subjects; -boosts links between the research world and the business world and develop innovation; -helps French Polynesian research create 	

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>links with other countries;</p> <p>-develops activities to disseminate scientific and technical culture.</p>	
	<p>Since 1995, about a dozen of industrial agreements on training through research (CIFRE) were signed in Polynesia. It allows PhD students to write their thesis within a research institution and to be considered as employees. It mainly involved contracts in themes related to the environment, health or media.</p>	<p>CIFRE agreements are a very good way to promote innovation. In Polynesia, the impact may be more on natural resources than on mineral resources.</p>
	<p>The public group Institute Malardé (I.L.M) contributes to the preservation of health, public health and the natural environment in French Polynesia.</p>	
	<p>Since 1999, the national competition for the creation of innovative technology companies has enabled the creation of over 1,700 companies. It ensures successful projects its role detection of innovative entrepreneurship.</p>	<p>This type of competition is a good way to promote innovation. Polynesians seem to present projects in the natural resources sector but not the mineral sector.</p>
Standards	No resources found	
Procurement	No resources found.	
Intellectual Property	<p>Since March 2004, French Polynesia has an autonomous status and consequently the French intellectual property rights are no longer valid. As remedy to this lack of</p>	<p>Intellectual property regulations seem strong.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>protection, the Polynesian authorities have enacted a new regulation in May 2013 specifying the effects in French Polynesia of intellectual property rights formerly acquired in France.</p> <p>The applications, renewals and extensions filed with the French Office INPI before March 3, 2004 produce exactly the same effects in French Polynesia as on French territory without any formality to be observed.</p> <p>However, if the mark was renewed in 2006 or later, protection is subject to recognition of the title by the French Polynesian authorities.</p> <p>A trademark filed with the INPI in 1996 will be protected without any formality in French Polynesia until 2006. Conversely, if the mark was renewed in 2006, its protection in Polynesia for the period from 2006 to 2016 is subject to the mechanism of Optional Recognition. The applications for Optional Recognition in French Polynesia can be filed between September 1, 2013 and September 1, 2023.</p> <p>From February 1, 2014, any intellectual property right filed or renewed with the French Office may be extended to French Polynesia upon payment of official fee.</p>	

Review of the current and future policies and innovation programs in the mineral and natural resources sectors

Land ownership No resources found.

Natural resources The public group Tahitian Vanilla aims to intervene in the areas of production, research, development, processing, quality control, marketing and promotion of vanilla produced in French Polynesia.

Second economic resource of French Polynesia, after tourism, the culture of the black pearl is facing a major crisis since the 2000s due to overproduction, falling prices, and reduced activity.

In response, IRD researchers and their partners help to maintain and sustain the sector. Since 2008, scientists study the Lagoon of Ahe atoll, in the north of Tahiti.

Mineral resources French Polynesia has a specific mining code and is competent to issue mining permits and to control operations.

Article 47 of the Organic Law n ° 2004-192 of 27 February 2004 on the autonomy statute of French Polynesia stipulates that Polynesia "regulates and exercises the right of exploration and exploitation rights of natural resources biological and non-biological [...] soil, subsoil and the superjacent waters of the territorial sea and the exclusive economic zone in accordance with international commitments."

Since 1985, Polynesia has its own mining code.

However, under Article 671-1 of the French Mining Code, exploration and exploitation of strategic raw materials in French Polynesia is a competence of the French government and not of the Polynesian government.

Surprisingly, in November 2015, French Minister of Overseas, George Pau-Langevin wrote a letter to the President of French Polynesia, Edouard Fritch, indicating that Polynesia was responsible for the exploitation of rare earths and polymetallic nodules.

For the first time, the State declared that rare earths are not part of the strategic materials. However, many voices were raised in Polynesia on whether recognition of the competence of Polynesia for rare earths was final.

Deep sea mining

French Polynesia was believed to be among the richest countries in cobalt crusts and platinum present in the oceans. However, the state and the government of French Polynesia have entrusted the Institut de Recherche pour le Développement to conduct a collegial expertise on the subject of deep sea mining.

The objective is to draw up an inventory of scientific knowledge of the deep underwater minerals in the exclusive economic zone of French Polynesia, to assess on deep sea mining and to make specific recommendations on the matter.

The expertise was presented to the government in the beginning of May 2016. The panel of experts has conducted an extensive review of the scientific literature and existing gray literature, comparative analyzes and interviews with public and private stakeholders involved in the mineral resources deep underwater. This expertise notes that "there is no rare earths or polymetallic nodules in sufficient quantity to be of economic interest in French Polynesia", and emphasizes against "world class potential for polymetallic cobalt-rich crusts in the EEZ French Polynesia".

Renewable energy

In December 2013, a law on the principles of energy policy was adopted in order to ascertain the country's energy supply as sufficient, diverse, safe, economical and compatible with the requirements of environmental protection..

French Polynesia is a world leader in sea-water air conditioning systems and should improve its legislation for this system to be widely adopted.

10.5 Kiribati

Topic	Summary of current legislations and	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
Investment	<p>Foreign investment legislation was passed in 1986. The Foreign Investment Commission (FIC), a statutory commission established under the Foreign Investment Act 1985, grants licenses on a case-by-case basis.</p> <p>The Foreign Investment Promotion Division, under the Ministry of Commerce, Industry and Cooperative is responsible for all matters pertinent to foreign investment at all stages starting from providing information on how to invest in Kiribati, to processing of foreign investment applications, and to regulate and support existing Foreign Investors operating in Kiribati.</p> <p>Investments over US \$171,790 must also be approved by the Cabinet and performance criteria regarding employment, training and production are often set.</p>	<p>The availability of the FIC decreases transaction costs on investment research.</p> <p>The government introduced a VAT, what made paying taxes more complicated for companies. Investments that may conflict with established domestic enterprises or impact on the use by nationals of lands or natural resources are dealt with on a case-by-case basis and are subject to compliance and administrative burdens.</p>
	<p>Transportation and communications are a challenge for Kiribati. Telecommunications are expensive, and service is mediocre and there is no broadband. The monopoly internet provider on Tarawa is one of the most</p>	<p>Those logical difficulties certainly have a negative impact on investment and innovation.</p> <p>Legislation should be adopted to tackle those problems.</p>

Topic	Summary of current legislations and	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	expensive in the world.	
Trade	<p>There are no restrictions on items for export except for marine products.</p> <p>Import duties are relatively low and exemptions might be provided for investment project items.</p>	<p>Larger export markets may increase profitability and have positive effects on investment and innovation. Larger export markets may increase pressure on the mineral and natural resources through increased exploitation.</p>
	<p>The Kiribati Industrialists Association and the Kiribati Chamber of Commerce and Industry act as trade associations.</p>	<p>The countries reliance on aid naturally makes AUSAID and NZAID forms of economic development agencies.</p>
Training	No resources found.	
Research and Development	No resources found.	
Standards	<p>Kiribati has no standards organization and is not a member of the ISO.</p> <p>Major regulators in the country include the Ministry of Finance and Economic Planning for the financial sector, Telecommunications Authority of Kiribati for the telecoms sector, the Public Utilities Board for infrastructure, Foreign Investment Commission for all FDI proposals, and the Lands Management Division of the Ministry of Home Affairs and Rural Development regarding the</p>	<p>There may be increases in compliance costs as investors will rely on national standards determined by each regulator.</p> <p>According to the World Bank's Ease of Doing Business report 2011, the country can improve in terms of creating a well-balanced business environment, though it ranks decently for its tax regime and protecting investors.</p>

Topic	Summary of current legislations and	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	purchasing of land.	Unavailability of standards may imply overexploitation of mineral and natural resources, though this is unclear and requires further investigation.
Procurement	No resources found.	
Intellectual Property	<p>Kiribati has limited copyright legislation, adopting the application of parts of the Copyright Act 1956 of England. Copyright Ordinance 1917 has little relevance, but it is the only law in Kiribati that recognizes copyright in this jurisdiction.</p> <p>Re-registration of a UK patent is possible in Kiribati within 3 years of the date of issue in the UK.</p> <p>UK design registrations are automatically extended to cover Kiribati but may be declared invalid in Kiribati on any grounds existing under UK law.</p> <p>The sanction for copyright infringements is a fine.</p>	<p>There appears to be a weak IP protection framework, which introduces uncertainty for investment decisions and innovation.</p>
	Kiribati is a member of the World Intellectual Property Organization.	The adherence of Kiribati to this convention reduces uncertainty in ownership of rights derived from innovation.
	There has been no trade mark legislation enacted in Kiribati. The only trademark legislation that exists in Kiribati is the	There is a slight advantage over other countries for registration of patents, however it is uncertain if

Topic	Summary of current legislations and	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>Registration of United Kingdom Trademarks. The Registration of UK Patents Ordinance, codified in 1977, aims to provide for the registration of patents granted in the United Kingdom. The legislation does not define what a patent is or what is patentable. Compared to other island pacific countries like Fiji and Nauru, in Kiribati, the formalities for registration of a patent are much simpler.</p>	<p>this has a positive effect on investment and innovation.</p>

10.6 Marshall Islands

Review of the current and future policies and innovation programs in the mineral and natural resources sectors

Land ownership	No resources found.	
Natural resources	The Kiribati Environment Act of 1999 emphasizes requirement for the protection of biodiversity and prevention of negative impacts on habitats and ecosystems, which must be taken into account when carrying out deep sea exploratory activities. As well as this, the Kiribati Fisheries Act 2010 refers to the sustainable use of ocean resources and the protection of marine habitats from pollution and degradation from marine vessels.	
Mineral resources	There is no official mining legislation in place in Kiribati.	
Deep sea mining	<p>Legislation that may affect deep sea mining activities has been implemented in the past. The government of Kiribati sponsored a public company, Marawa Research Exploration Limited, to conclude an exploration contract with the International Seabed Authority. This contract gives Marawa the right to explore for polymetallic nodules in the fracture zone Clarion-Clipperton.</p> <p>Kiribati also launched public consultation on a draft policy on mining of the seabed and prepared a draft of the deep mineral resources law with the assistance of the Secretariat of the Pacific Community.</p>	
Renewable energy	No resources found.	
Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
Investment	Foreign investment is governed by the Foreign Investment Business License (Amendment Act 2000), which established the Registrar of Foreign	The environment appears friendly for foreign investment; however restrictions in certain areas may reduce availability of funds and deter

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>Investment and details restrictions on foreign investments.</p> <p>Marshall Islands has a responsive judiciary that consistently upholds the sanctity of contracts. Although the Marshall Islands generally encourages foreign investment, the Foreign Investment Business License established a Natural Reserved List, which restricts foreign investment in a few activities.</p>	<p>innovation.</p> <p>However, it is uncertain if the restricted list affects mineral and natural resources since they are not explicitly mentioned as a restricted activity.</p> <p>Furthermore, access to credit has been improved through the Secured Transactions Act 2007 which established a central collateral registry, broadens the range of assets that can be used as collateral, allows a general description of debts, obligations and assets granted as collateral, and establishes clear priority rules outside bankruptcy for secured creditors.</p>
Trade	<p>The Consumer Protection Act (2004) stipulates unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade of commerce.</p>	<p>Limits on unfair methods of competition are likely to encourage innovation and investment; however, it is not clear if proper enforcement takes place.</p> <p>If proper law enforcement does not take place, there might be pressure on mineral and natural resources.</p>
Training	<p>The National Training Council of the Marshall Islands helps unemployed Marshallese find jobs and job training.</p>	<p>The effect of those schemes is uncertain.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>The International Crew Training offers a Marshall Islands 350gt Master Yachts.</p>	
	<p>In 2000, the Asian Development Bank approved a loan for \$9.1 million to improve skills training to provide well-trained workers needed for sustained economic and social development. This was to be achieved through an integrated national skills training system. The project consisted of four components covering development of a career awareness program, skills training improvement, enhanced skills training opportunities for women and youth, and institutional strengthening. The expected outcome was increased income generating opportunities and employment for trainees, especially for women and youth in the outer islands.</p> <p>Overall, the project was rated <i>unsuccessful</i>.</p>	<p>Lack of trained workers may hinder innovation.</p>
Research and Development	<p>No resources found.</p>	
Standards	<p>No resources found.</p>	
Procurement	<p>No official resources were found. However, Radio Australia reported that a report to the Marshall Islands Public</p>	<p>The lack of enforcement of public procurement laws may bring corruption and lack of transparency.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>Accounts Committee underlined that lack of enforcement of the law governing government procurement is a key issue.</p>	<p>This may affect decisions around innovation and investment, especially when in the deep sea mining sector, because of the discretionary nature of bureaucratic decisions.</p>
Intellectual Property	<p>The Unfair Business Practices Act 2004 regulates competition and enforcement of intellectual property.</p> <p>The Business Corporations Act 2004 mentions that a corporate name must not be the same as, or so similar as to confuse or deceive, an existing name on the indices of names maintained by the Registrar of Corporations.</p> <p>The Unauthorized Copies of Recorded Materials Act 1991 has also been adopted.</p> <p>There is inadequate protection for intellectual property, patents, copyrights, and trademarks.</p> <p>There are no patent laws in the Marshall Islands. However, it seems that the Government is currently working on draft legislation.</p> <p>It is not possible to register a trade mark in the Marshall Islands as there is no legislation which provides for it. The only way to claim and assert rights in a</p>	<p>Intellectual property rights are not properly protected and this may deter all investment activities.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>trade mark in the Marshall Islands is through common law and is based on use of the mark and the public awareness of the mark and the goods/services which it covers.</p> <p>The most effective strategy to protect trade mark rights in the Marshall Islands is to publish a cautionary notice in a local newspaper and to also make genuine use of the mark in this jurisdiction.</p> <p>The Marshall Islands is not a member of the World Trade Organization, the World Intellectual Property Organization, or any other international agreement on intellectual property rights.</p>	

10.7 Nauru

Review of the current and future policies and innovation programs in the mineral and natural resources sectors

Land ownership No resources found.

Natural resources No resources found

Mineral resources No resources found

Deep sea mining On 2 October 2014, the Government formed an Interim National Seabed Minerals Management Board (INSMB). The board members, consisting of a small team of government officers and non-governmental representatives, are tasked by Cabinet to develop national policy and law for the appropriate governance of the nation's deep sea resources.

Renewable energy Marshall Islands is a member of the Pacific Islands Energy Policy and Strategic Action Planning (PIEPSAP). It supports the development of national energy policies, strategic action plans, and practical mechanisms to implement these in the 14 participating PICs. Its goal is to establish national energy policies, plans and mechanisms which will influence national efforts toward achieving reliable, affordable, and environmentally sound energy for sustainable development of the Pacific ACP Countries.

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
Investment	No resources found.	
Trade	No resources found.	
Training	No resources found.	
Research and Development	No resources found.	
Standards	<p>Given the undeveloped private sector in Nauru, there are no regulatory institutions outside government departments such as the Ministry of Telecommunications and Ministry of Finance, and the national agency Nauru's Marine and Fisheries Resources Authority.</p> <p>Nauru is not a member of the International Organization for Standardization so there is no national standards bureau.</p>	<p>It is uncertain if the lack of standards affects investment and innovation given other existing priorities and challenges for economic development in Nauru such as waste management, water, energy.</p> <p>Nevertheless, a lack of standards may lead to the overexploitation of natural resources and have a negative impact on the environment in general.</p>
Procurement	No resources found.	
Intellectual Property	The Patents Registration Act 1973 describes the invention in respect of which application is made in the country of principal registration for grant of a patent and the method by which it is to be performed; it discloses the best method of performing that invention which is	<p>There is a basis for an intellectual property framework to be established, however, it is uncertain how this affects innovation and investment.</p> <p>Investors in the mineral and natural resources sector might be satisfied to obtain their patents in Australia, the</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>known to the applicant and for which he claims to be entitled to protection; and ends with a claim or claims defining the scope of that invention.</p> <p>A Nauruan patent application can be filed from an Australian, US or UK application or a granted Australian, US or UK patent (within three years of grant of that patent). An application is published in the local government Gazette, and if no opposition is filed within three months, the patent is granted. Once the Certificate of Registration has issued, the rights take effect from the date of the foreign patent relied upon and remain in force as long as that foreign patent is in force. However no patent will exceed a term of 16 years.</p>	<p>UK or the US where legislation is transparent and stable. Therefore, this legal situation might have a positive impact on innovation.</p>
	<p>Trade mark legislation has not been enacted in Nauru and it is therefore not possible to register a trade mark. The only way to claim and assert rights in a trade mark in Nauru is through common law and is based on use of the mark and the public awareness of the mark and the goods/services which it covers.</p> <p>Publication of a cautionary notice in the local newspaper in Nauru is the</p>	

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>most effective way to protect trade mark rights along with making genuine use of the mark in the jurisdiction.</p>	

Review of the current and future policies and innovation programs in the mineral and natural resources sectors

Land ownership The Lands Act 1976 repealed the Lands Ordinance (1921-1968) and made provision for the leasing of land for the purposes of the phosphate industry, for other public purposes and for the removal of trees, crops, soil and sand and the payment of compensation in respect of these. The Act makes it an offence for a Nauruan to transfer, sell or deed, or attempt to transfer, sell or deed any Nauruan land to a person or entity that is not Nauruan. Where the Nauru Phosphate Corporation or the Council requires land to support the phosphate industry or for public purposes, they must submit a written request to the Minister responsible for that land. If the Minister supports request the Minister may approach the landowners with a request that they agree to lease the land specified. The land can be leased with the agreement of $\frac{3}{4}$ of the landowners. Where land is leased to the Nauru Phosphate Corporation for mining, the Corporation is entitled to: mine all the phosphate on that land, remove any building situated on the land, remove the topsoil, trees and vegetation from that land and use, destroy or otherwise dispose of them, remove coral and limestone from the land and use it or otherwise dispose of it. The period of the lease to the Corporation for mining purposes is generally five years.

The Land (Declaration of Ownership) Ordinance 1962 relates to the payment of compensation to Nauruan owners of a piece of land, known as the German Wireless Station, which was mined for phosphate by the Nauru Phosphate Corporation and for which the Administration received surface rights or phosphate royalties but for which the landowners received no compensation. Nauru Lands Committee Ordinance (1956-1963) The Ordinance establishes the Nauru Lands Committee. Its main functions are to determine questions as to the ownership or rights in respect of land where the issue involves Nauruans and Pacific Islanders.

Natural resources No resources found.

Mineral resources The right to mine phosphate is vested in the constitution of the Republic of Nauru.

Nauru gained control of phosphate mining activities on the island on 1 July 1970 through the Nauru Phosphate Agreement 1967, under which Nauru, which became independent on 31 January 1968, purchased all phosphate assets and took full control of the Nauruan operation.

In 1989, Nauru filed court proceeding against Australia over a dispute about the rehabilitation of certain phosphate lands mined under Australian administration before Nauruan independence. Nauru claimed that Australia breached its trusteeship obligations under Article 76 of the United Nations Charter and the Trusteeship Agreement for Nauru of 1 November 1947. After a lengthy court battle the two parties reached an out of court settlement in 1993 and agreed to discontinue the proceedings. The settlement aims to try to restore the island in order to develop the tourism sector. After the legal settlement, investors might not want to take the risk to mine in Nauru and might consider another destination.

Nauru is not currently compliant with the Extractive Industries Initiative.

Various international mining companies, and recently a Philippine fertilizer company, have provided consultation to Nauru for the transition to secondary phosphate mining and the rehabilitation of over-mined lands.

**Deep sea
mining**

The Government of Nauru adopted its International Seabed Minerals Bill on 23 October 2015. Its goal is to ensure that measures are taken for Nauru to exercise its effective control on contractors when conducting seabed mineral activities in the Area and at the same time adhere to the rules and regulations set forth by the International Seabed Authority (ISA). To effectively control contractors, the Act promotes good governance by establishing a Nauru Seabed Minerals Authority which will be responsible for monitoring and managing Nauru's involvement with seabed mineral activities. Revenues generated will be vested into a 'Seabed Minerals Fund' established by the Act, which will be managed for the benefit of the Nauruans.

The Republic of Nauru applied to the ISA to explore the Clarion-Clipperton Zone in April 2008.

10.8 New Caledonia

Renewable energy The Ministry of Commerce, Industry and Resources is responsible for energy policy and is looking into the feasibility of alternative energy sources, including a pilot wind power project in Anabar sponsored by the Secretariat of the Pacific Regional Environment Programme.

Nauru is a member of the Pacific Islands Energy Policy and Strategic Action Planning (PIEPSAP) which supports the development of national energy policies, strategic action plans, and practical mechanisms to implement these in the 14 participating PICs. Its goal is to establish national energy policies, plans and mechanisms which will influence national efforts toward achieving reliable, affordable, and environmentally sound energy for sustainable development of the Pacific ACP Countries.

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
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Investment	<p>Since 1990, provinces have their own defined legal framework and have instituted their own financial incentive schemes.</p> <p>There is one development code for each province:</p> <ul style="list-style-type: none"> -Code of financial aid for investment in the Southern Province. It generally addresses the main industries but primarily concerns tourism and aquaculture. -Development code of the Northern Province. It establishes aid for primary infrastructure, investment, equipment, license agreements, manufacturing, support, management, professional training and job creation. 	<p>Different rules in each region may increase compliance and administrative burdens and actually hinder innovation.</p> <p>Furthermore, tariffs and duty rates are often revised and are subject to change without notice.</p>
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Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>-Loyalty Islands Provincial Code of economic development assistance. It aims at promoting the emergence of economic activities while taking into account the specificities of the islands. The province has a set of measures for development projects such as creation or extension of activities, specific support by industry and business support.</p>	
	<p>Powers already transferred to New Caledonia are contained in Article 21.2 of the Organic Law 1999 and include:</p> <ul style="list-style-type: none"> -taxation; -labor law and trade unions law; -insurance law; -access to work for foreigners; -native title; -commercial law; -mining regulations. <p>Powers kept by the French State are contained in Article 21.1 of the Organic Law and include:</p> <ul style="list-style-type: none"> -justice; -education; 	<p>The legal situation in New Caledonia might not be very clear for investors.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>-immigration;</p> <p>-police powers;</p> <p>-defense;</p> <p>-foreign affairs.</p>	
	<p>On 20 January 2012, the Congress voted the transfer of civil and commercial laws (loi du pays n° 2012-2 du 20 January 2012).</p>	<p>Now, the government might consider creating specific New Caledonian companies. However, it is uncertain if this will have a positive impact on investment. Businesses might have felt secure with the previous French company models and may be reluctant to adopt this new model.</p>
	<p>The North and South provinces of New Caledonia both adopted an Environmental Code, with deliberations No. 2008-306 of 24 October 2008 for the Northern Province and No. 25-2009 of 20 March 2009 for the Southern Province. This structuring effort enables a better access to the local environment, which is very fragmented due to a complex division of environmental responsibilities between the provinces and the New Caledonian government.</p> <p>Those environmental codes govern:</p> <p>-the protection of natural heritage (protected areas, invasive species, etc.)</p>	<p>Investment in certain areas may be restricted due to the increasing presence of protected areas.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>-natural resource management (logging, hunting, fishing, mining)</p> <p>-the prevention of pollution and nuisances (waste, various pollution, land clearing).</p> <p>An Environmental Code for the Loyalty Province has been drafted and should be adopted soon.</p>	
	<p>Article Lp. 142-10 of the Mining Code establishes the procedure for exploration. It is subject to authorization of the president of the assembly of the competent province. Furthermore, an environmental impact statement must be undertaken before exploration begins.</p>	<p>Environmental impact statements may trigger innovation to create machines and organizational systems with a lesser impact on the environment.</p>
	<p>Support for the economy and innovation is part of provincial jurisdiction.</p> <p>The Southern province has several devices, starting with CASE, the Aid Code for the Economic Support that helps businesses in their development, in part through the provision of public funds (pre aids investment, investment aid, aid for the operation but also export aids). Another device, called South Innovation Fund, also helps innovative projects of Caledonian</p>	<p>Innovation in the mineral and natural resources sector is capital intensive and is primarily undertaken by large international companies which may not need small provincial aid but which rather enjoy tax exemptions schemes.</p> <p>However, those aid tools might support small and medium enterprises trying to innovate in sectors related to natural resources management (3D surveys, exploration techniques etc).</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>businesses. It is conjointly run by OSEO, a French public company specializing in the financing of innovation and growth of SMEs, and the Southern Province.</p> <p>The Northern Province also has four local joint venture companies :</p> <ul style="list-style-type: none"> -SAEML Côte Océanienne for Hienghène, Touho, Poindimié and Ponérihouen; -SAEML Espaces de l’Ouest for Poya, Pouembout, Koné and Voh; -SAEML Sud Minier for Houaïlou, Kouaoua and Canala; -SAEML Grand Nord for Kaala-Gomen, Koumac Poum, Belep, Ouegoa and Pouébo. <p>The objective of those four companies is to participate in asset financing in real estate and heavy equipment which will then be given to private operators to enable them to carry out projects that they would not have been able to achieve alone. They take part in mining projects.</p>	
	<p>The local tax exemption is framed by a national law, the ‘Girardin law’ and the law of the country, ‘the Frogier</p>	<p>Financial incentives may increase availability of funding for innovating firms across several themes and</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>law’.</p> <p>Tax exemption is a term used to characterize a tax incentive law for investment. Pons law was in force between 1986 and 2000 to increase investment from metropolitan taxpayers in the overseas departments and territories. It was extended for the period 2001-2006 under the name ‘Paul law’ and thoroughly revised in 2003 under the name ‘Girardin law’. The Girardin law, whose legal basis is the law program for overseas No. 2003-660 of 21 July 2003, aims to support investments overseas. It allows metropolitan investors (individuals or companies) to invest in overseas territories in a number of eligible sectors. The company can deduct its investment of its tax base to tax on companies, while individuals benefit from a tax reduction of 50% on investment. It allows a double tax exemption.</p>	<p>economic activities.</p>
	<p>In addition to taxes and charges applicable to any business, mining and metallurgical operations, which are exempt from the general import tax, are subject to a specific regime which includes:</p>	<p>Tax exemptions have proven to attract large companies in the natural resources sector. However, nothing proves that they fostered innovation.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>- the provision for deposit renewal: under Article 29 of the tax code, the metallurgical and mining companies can deduct taxes from their income from ‘Provisions for reconstitution of deposits’;</p> <p>- the possibility of carry-back of losses: a corporation that carries a deficit can attribute it to the profits of the following five years. Article 45-23 of the Territorial Tax Code also enables metallurgical and mining companies (unlike in metropolitan France where this possibility is open to all companies) to charge a deficit incurred during an exercise on profits of the 3 previous financial years. This mechanism is particularly suited to the companies of this sector which often face fast changing nickel prices.</p> <p>- the specific arrangements for payment of a corporation tax (articles 45-26 to 45-33 of the Territorial Tax Code): these provisions allow metallurgical and mining companies to obtain a rebate equal to 10% (capped at about 200,000 Euros) of their tax payments on companies if they make donations to municipalities for the rehabilitation of mining sites.</p>	

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>Deliberation n° 43-2011 of the South Province allows the province to support the investments that companies make to strengthen or improve their activity in the development of innovative projects. Eligible investment interests include seeking advice, skills, training or external services. Aid is fixed by a special act of accreditation and can only be allocated once for the same project.</p>	<p>This deliberation mitigates uncertainty as it clearly states that innovation is in the interest of the South Province. The incentives may increase availability of funding for innovating firms across several themes and economic activities.</p>
	<p>New Caledonian Institute of Participation (Institut Calédonien de Participation (ICAP), the Central Fund for Cooperation (Caisse Centrale de Coopération Economique) and the three Provinces established ICAP in 1989. ICAP is a New Caledonia-wide development institution, providing benefits to both the mainland and the islands. Its goal is to promote projects for the restoration of an economic balance between Nouméa and the rest of New Caledonia. It mainly operates in the production sector or the service sector (insofar as it is related to production).</p>	<p>21% of ICAP's investments are in the mining sector. ICAP supports investment but its impact on innovation is unclear.</p>
	<p>Promosud invests in sectors in which it is harder for the private sector to get</p>	<p>Promosud may increase availability of funding in those sectors, create new</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>involved because they are capital intensive.</p> <p>Through its subsidiaries or companies in which it holds a strong participation, Promosud intervenes in key sectors of the Caledonian economy. Through its Society of Participation in South Caledonian Mining, it owns 50% stakes in the capital of Vale NC; and through is Caledonian Regional Company for Industrial Participation, it holds 50% shares in the capital of the SLN.</p>	<p>market niches and is unlikely to crowd out private initiatives. This will also encourage innovation by reducing transaction costs on investment setup.</p>
	<p>Sofinor aims to promote economic development in the North Province and in areas related to mining and metallurgy.</p>	<p>It is not clear if funding will be provided, but Sofinor may reduce compliance and administrative burdens for research prior to investment in innovation and other issues related to foreign direct investment. In addition, these investment activities need to involve the local population or local interests.</p>
	<p>Created in 2012 by the Chamber of Commerce and Industry of New Caledonia and the New Caledonian government, the Innovation Trophies are a competition aiming to promote innovation.</p>	<p>This competition is very unlikely to have any impact on legislation but may help support innovative projects, possibly in the mineral and natural resources sector (3 D survey, environmental impact, reforestation</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
		etc).
Trade	<p>French company law and trade code adapted for New Caledonia are the main legislations.</p> <p>In 2009, the jurisdiction of the French State in commercial matters was transferred to New Caledonia, in accordance with the statutory law of 19 March 1999.</p>	<p>There exists legislation on investment, but it is uncertain if there is an overall effect on innovation.</p> <p>Those codes don't refer to natural resources.</p>
Training	<p>The University of New Caledonia offers :</p> <ul style="list-style-type: none"> -a bachelor in Applied Geosciences (mining, water, and environment). It aims at training technicians in the fields of exploration and mining operations, topography, geology and environment. -a bachelor and a master in environment. <p>A few other educational programs exist:</p> <ul style="list-style-type: none"> -A mining training via the CFTMC (Training Center for Mining Techniques) in Poro for mining equipment operators. This Center is funded by mining companies; -A bachelor on metallurgical technologies, training in industrial 	<p>It is unclear whether these training will have any impact on innovation. However, one can hope that trained students will find ways to improve the current state of the art.</p>

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	<p data-bbox="416 394 887 629">maintenance mechanics trades, electricians and maintenance technicians in collaboration with the CEGEP (College of general education and vocational education in Quebec).</p>	
	<p data-bbox="416 667 887 1272">Following the policy of the Noumea Accord for the rebalancing program in favour of Kanak people, the Future Managers program (‘Cadres Avenir’) supports persons who have professional experience to reach a middle management position, which would be useful to the economic development of New Caledonia. 90% of this program is funded by the French State and 10% by the New Caledonia government.</p>	<p data-bbox="906 667 1369 1272">It is unclear whether this program will have any impact on innovation. However, one can hope that the future managers will find ways to innovate in their field.</p>
Research and Development	<p data-bbox="416 1310 887 1957">Since November 2006, New Caledonia is competent for geology. The same year, the Geological Survey of New Caledonia (SGNC) was established. It is in charge of acquiring, synthesizing and making geological data available in order to guide public policies based on scientific and technical information. It collaborates with various research organizations in the territory including BRGM, IRD, UNC, IFREMER and geological services and universities Australia and New</p>	<p data-bbox="906 1310 1369 1451">Research from the SGNC may provide guidelines for the sustainable exploitation of mineral resources.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	Zealand.	
	<p>The Strategic Orientation Committee for Research and Innovation (COSRI) was established in 2010 to develop a strategy for research and innovation and meet the potential goals of development of New Caledonia, as indicated in the diagnosis of Scheme of Planning and Development of New Caledonia in 2025. It brings together representatives of the research, institutional and economic worlds of New Caledonia</p> <p>The COSRI follows the objective to achieve a framework for rapid implementation of an innovation policy in New Caledonia. This Committee discusses the main influences on the development of the territorial framework for higher education and research.</p>	<p>It is not clear if recommendations of this committee are binding, but it may generate knowledge and information for entrepreneurs and reduce transaction costs when researching in investment in New Caledonia.</p> <p>The COSRI may channel research to economic areas in order to implement guidelines for the sustainable use of natural resources.</p>
	<p>The Consortium on cooperation in research, higher education and innovation in New Caledonia (CRESICA) is a think tank which was created in October 2014. It aims to promote cooperation between institutions by seeking synergies and by pooling resources for training, research and innovation. The</p>	<p>The CRESICA may encourage FDI and innovation by expanding knowledge networks across institutions. This may imply reductions in transaction costs to set up companies and innovation activities.</p>

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	<p>CRESICA aims to build stronger links between institutions through a close partnership with the State of New Caledonia and the three provinces.</p> <p>The CRESICA gathers: the University of New Caledonia (UNC), the Institute of Research for Development (IRD), the New Caledonian Agronomic Institute (IAC), the French Research Institute for the exploitation of the Sea (Ifremer), the Pasteur Institute of New Caledonia (IPNC), the Office of Geological and Mining Research (BRGM), the National Centre for Scientific Research (CNRS) and the agricultural research and international cooperation organization (CIRAD).</p> <p>The CRESICA works on a shared roadmap and around three axes taking into account the comparative advantages of the country:</p> <ul style="list-style-type: none"> -developing natural resources; -improving human health; -analyzing and measuring social and institutional development. <p>This approach was initiated by the Law of 22 July 2013 on Higher</p>	<p>Research from the CRESICA may provide guidelines for the sustainable use of natural resources.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>Education and Research (the Fioraso Act) which aims to unite the research stakeholders on the same strategic roadmap in order to better respond to territorial issues.</p>	
	<p>The Research Advisory Council (CCR) was established by Resolution No. 082 of the Congress of New Caledonia on 25 July 2000.</p> <p>It has 6 institutional members: the chairman of the Congress of New Caledonia, the Government Delegate, the High Commissioner of the French Republic in New Caledonia, a member of the Government of New Caledonia, a member of each of the three provincial assemblies, as well as 5 scientific members: the president of the University of New Caledonia, the general manager of the representative of the Institute for research and development (IRD), the general manager of the representative of IFREMER, the general manager of Caledonian agronomic Institute (IAC), director of the Pasteur Institute of New Caledonia (IPNC).</p> <p>The board is informed by academic institutions and research organizations</p>	<p>It is not clear if recommendations of this council are binding, but it may generate knowledge and information that could trigger innovation.</p> <p>The CCR may implement guidelines for the sustainable use of mineral and natural resources.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>of the orientation of their actions in New Caledonia.</p>	
	<p>The Environmental Advisory Committee (CCE) was established by Resolution No. 155 of the Congress of New Caledonia in January 2006. It is responsible for coordinating projects relating to environment and sustainable development, counselling the government, making proposal to public authorities and informing the public.</p> <p>It must be consulted on draft or proposed law and deliberation of the New Caledonia Congress which may affect environment and sustainable development in New Caledonia.</p>	<p>It is not clear if recommendations of this committee are binding, but it may implement guidelines for the sustainable use of mineral and natural resources.</p>
	<p>In 2011, the New Caledonian Economic Development Agency (ADECAL) was tasked with further assignments in innovation, technology transfer and training that involved setting up the New Caledonian innovation and technology park (Technopole). The objective is to contribute to New Caledonia's sustainable and socially responsible development as the interface between researchers and the private sector. The park aims to support New Caledonian</p>	<p>ADECAL may encourage foreign direct investment and innovation by expanding knowledge networks across institutions. This may imply reductions in transaction costs to set up companies and innovation activities. This Agency may reduce the costs of innovation as resources for entrepreneurs will exist in New Caledonia, which would reduce the need for international assistance. However, mining is a very capital intensive activity and one might doubt</p>

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	<p>business with innovation and technology transfer to make it more competitive. It is also expected to back innovative new projects or industries in predefined sectors.</p>	<p>that the ADECAL might have sufficient resources to support innovation in this sector.</p> <p>While the increased availability of funds may add pressure on land resources ADECAL explicitly mentions that investment should be sustainable and socially responsible. For the moment, the actions of ADECAL have not promoted innovation in the mineral and natural resources sector.</p>
	<p>Established in January 2014 by ADECAL Technopole in partnership with IRD, a Business Incubator was created to assist entrepreneurs to structure their emerging innovative projects. The incubator seeks to identify projects both within public research and industry and services. It matches potential opportunities from public research with local industries or individual project developers.</p>	<p>This incubator may increase funding availability to private sectors undertaking innovation activities. Selected projects identified as of interest for the economic development of the territory, can benefit of over 24 months of personalized support, access to the tools of financing innovation a networking with actors.</p> <p>The increased availability of funds may lead to an increasing exploitation and an increase in activities such as mining.</p>
	<p>The Economic Social and Environmental Council (CESE) is</p>	<p>For the moment, it is unlikely that the CESE will have a strong impact on</p>

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	<p>consulted by the Government or by the Congress, on projects and countries bills and deliberation of the Congress of New Caledonia on social, economic and environmental matters. In addition, the provincial assemblies and the Customary Senate may also seek its advice.</p> <p>On its own initiative, the CESE can take the initiative and carry out studies on any subject having an economic, social, cultural and environmental impact.</p>	<p>innovation due to a difficulty in its internal organization.</p> <p>The last consultations of the CESE on mining date back from January 2015.</p>
Standards	<p>Facilities which present dangers or disadvantages to the protection of nature and environment have to be classified as ‘ICPE’ (installations classées pour la protection de l’environnement)</p> <p>General texts define the procedures to be followed during the life of a classified installation: application for authorization, reporting, modifications, change of operator, cessation of activity, closing, deleting, controls, sanctions etc. These texts are:</p> <ul style="list-style-type: none"> -in the Southern Province: Code of the Environment of the South province (2009), Book IV, Title I ; - in the Northern Province: the 	<p>Innovation might arise from the obligation to follow these standards.</p>

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	<p>province of the North Environmental Code (2009), Book IV, Title I;</p> <p>-in the Loyalty Islands Province: Resolution No. 90-65 / API of 20 July 1990 concerning ICPE</p> <p>Products and activities classified as ICPE are defined by a nomenclature covering approximately 400 categories.</p>	
	<p>-EnVol device (Voluntary Commitment of the Business for the Environment) has been developed by the Chamber of Commerce and Industry and the Agency for Development and Energy Efficiency (ADEME).</p> <p>-The environmental pre-diagnosis is an inventory conducted by the Chamber of Commerce and Industry to assess the situation of a company from an organizational, technical and economical point of view in the light of environmental protection. It also highlights opportunities for improvement to better meet environmental requirements.</p>	<p>Innovation might arise from the possibility to follow these standards; however this is unlikely due to the non-binding nature of those two schemes.</p>
	<p>-Article Lp. 261-3 of Work Code of New Caledonia requires employers to</p>	<p>The EvRP is one of the main levers of progress in the company. It is useful</p>

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	<p>assess the risks “to the health and safety of workers, including in the choice of production processes, work equipment, chemical substances or preparations in the development or redevelopment of workplaces or facilities and in defining the workstations. (...) Following this assessment, the employer shall implement preventive actions and methods of work and production guaranteeing a better level of protection of health and safety of workers. It integrates these actions and methods in all activities of the institution and to all levels of management.”</p> <p>The occupational risk assessment (EvRP) was created to identify the risks attached to the employees of an institution, to develop relevant prevention activities covering the technical, human and organizational. It is the responsibility of the employer, and part of its general obligation to ensure the safety and protect the health of employees. It is set out in the Labor Code (Articles L.4121-2 and L.4121-3). This includes actions Identification and classification of risks and also implementation of preventive</p>	<p>because it can help to improve its operation throughout its development, consolidating the control of known risks but also pointing to the emergence of risks or delayed effects of new risks or new processes. Innovation might arise in this area to make sure that the safety and health of employees in the mineral and natural resources sector are respected.</p> <p>Innovation within the organizations of the companies might arise from the obligation to follow these regulations.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	measures.	
	<p>ISO certifications can be freely undertaken by companies.</p> <p>-ISO 14001: 2015 defines the criteria for an environmental management system. It provides a framework that a company or organization can apply to set up an efficient system. Any type of organization, regardless of its activities or sector, can use it.</p> <p>-ISO 50001: 2011 defines a framework of requirements for organizations to develop a policy for a more efficient use of energy, set targets and objectives to implement the policy, rely on data to better understand the energy use and consumption and measure results. It is a possibility but not an obligation.</p> <p>-ISO is currently developing a new standard - ISO 45001 - concerning the management systems of health and safety at work in order to alleviate this constraint for organizations, establishing a framework for improved workers' security, reducing risks on the workplace and creating better and safer working conditions worldwide. The text is being developed and should be released in October 2016.</p>	<p>Innovation might arise from the possibility to follow these standards; however this is unlikely due to the non-binding nature of those two certifications.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
Procurement	Deliberation No. 02/1989 aims at regulating administrative contracts of any kind placed on behalf of New Caledonia.	Procurement legislation exists, but it is uncertain if there is an overall effect on innovation. It is also uncertain if the deliberation explicitly refers to the exploitation of natural resources.
Intellectual Property	Deliberation No. 02/1989 guarantees respect to the confidentiality of proposals and dialogue, as well as intellectual property and know-how in all their forms, including financial and contractual innovations.	<p>If proper implementation and enforcement occurs, this deliberation would greatly reduce uncertainty about profits and returns on innovation. Thus, further investment and innovation would be encouraged.</p> <p>Since the transfer of skills in civil and commercial law, all industrial property rules are governed by the jurisdiction of New Caledonia.</p> <p>The law of industrial property should now be enacted by the Congress of New Caledonia and should no longer be governed by French laws.</p> <p>However, the Congress of New Caledonia has not yet adopted legislation on this matter.</p> <p>For the sake of legal certainty, the Council of State (interior section), in an opinion dated from October 1, 2013 said that New Caledonia remains governed by the provisions of the French code of intellectual</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
		<p>property.</p> <p>These provisions of the Intellectual Property Code provide protection to the securities issued by the National Institute of Industrial Property (INPI) on the whole territory of the Republic. In practice, this means that, until New Caledonia changes its law, individuals and economic operators may continue to file and renew their industrial property titles (patents, trademarks and designs) with the INPI under the procedures provided in the second part of the French code of intellectual property.</p>

Review of the current and future policies and innovation programs in the mineral and natural resources sectors

Land ownership	<p>Various provincial and customary laws apply what makes access to land difficult and may hinder investment and innovation.</p>
	<p>The environmental law remains different between the Northern and Southern provinces. For example in the field of the protection of spaces: Article 211-2 of the Northern Province code foresees six types of protected areas in the Northern Province (integral nature reserve, wilderness reserve, provincial park, nature reserve, area protection and enhancement of natural and cultural heritage and sustainable resource management area) against four in the Southern Province (strict nature reserve, nature reserve, sustainable management of resources and area of the provincial park (Article 211-2 of the Southern Province code).</p> <p>In the province of the Loyalty Islands, there is no Environment code but three types of protected areas exist: the strict nature reserve, the territorial park and the special reserve. Furthermore, specific laws regulate the management of resources and natural areas.</p> <p>The legal systems of protected areas are not the same despite a sometimes identical terminology and they still require clarification.</p>
Natural resources	<p>No resources found.</p>
Mineral resources	<p>Decree No. 69-4 of 3 January 1969 and Application Decree No. 69-598 of 10 June 1969 established the authority of the French State in relation to nickel, chromium and cobalt. Decree No. 73-109 dated 22 July 1973 sets out controls on companies authorized to conduct mining activities. It is important to note that these former texts did not include any provision for environmental protection and post-mining rehabilitation.</p> <p>Decree 54-1110 of 13 November 2004 has been amended and complemented by various later texts as a response to the need for stricter government control over mining due to its significance and impact for both the French State and New Caledonia</p> <p>Currently, environmental issues relating to mining operations are governed at the provincial level. Legislative provision for environmental protection and</p>

rehabilitation is a major component of the new mining legislation.

On 16 April 2009, the Congress of New Caledonia adopted the law of No. 2009-6 establishing the Mining Code of New Caledonia. It entered into force in 2009 together with Decree No. 2009-2205 / GNC of 28 April 2009 establishing the regulatory part of the mining code. This law aims, among other things, at homogenizing and simplifying the laws and principles regulating the administration of mining matters into a single cohesive code. The Mining Code aims to facilitate a investor friendly environment for foreign investors and foreign miners and conducive operating environment for mining operators. Accordingly, the Mining Code extinguished the nationality requirement for directors and boards of foreign companies operating in New Caledonia. The new Mining Code also includes an inventory of New Caledonia's mineral resources, extraction prospective and an industry overview (regarding, for example, logistics mechanisms and infrastructure) as well as a framework of principles for the export of metallurgical transformed products and laterites. Other changes adopted by the Mining Code include the establishment of a variety of mechanisms for open dialogue and coordination between mining operators, authorities and local communities and establishing an environmental protection framework, which includes an environmental approval process and rehabilitation obligations.

In the Loyalty Islands Province, a deliberation of the Provincial Assembly of the Loyalty Islands No. 2001-20 / PLC 12 November 2001 regulates mining.

**Deep sea
mining**

In April 23, 2014, the Government of New Caledonia created the 'natural park of the Coral Sea'. This is the largest French marine protected area. The government, alongside NGOs is currently taking a decision on whether or not to allow deep sea mining (DSM). Therefore, this park may have an impact on innovation if DSM is allowed. International companies may decide to invest in the country to explore and exploit DSM. However, if this happens, the Congress of New Caledonia will have to adopt a DSM code, different from on-land mining code.

On 2 October 2014, the Government formed an Interim National Seabed Minerals Management Board (INSMB). The board members, consisting of a small team of government officers and non-governmental representatives, are

tasked by Cabinet to develop national policy and law for the appropriate governance of the nation's deep sea resources.

Renewable energy In 2015, the government drafted an action plan for energy transition but it has not been adopted yet.

10.9 Niue

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
Investment	According to section 6 of the Development Investment Act 1992, a foreign enterprise needs to register before it can carry out business in Niue.	Registration may increase compliance costs of investment but it may be negligible.
	<p>The Investment Code guarantees to foreign enterprises that there shall be no compulsory acquisition or expropriation of the property of any enterprise in Niue except:</p> <ul style="list-style-type: none"> -in accordance with due process of law; -for a public purpose defined by law; -for payment of compensation in a manner prescribed by law. 	<p>This Code allows for long-term investment and innovation. It is undetermined if bureaucratic or rent seeking behavior is significant, leading to exceptions in the Code which may be used for expropriation.</p> <p>The increased availability of funds, through the likely increase of companies, may lead to increased exploitation or through environmental impact from an increase in more profitable activities.</p>
Trade	The Income Tax Act 1961 describes exemptions in respect of industries contribution to economic development.	Tax exceptions may have a positive effect on investment and innovation; however, empirical evidence is required to determine whether or not this occurs.
Training	No resources found.	
Research and Development	No resources found.	
Standards	No resources found.	

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
Procurement	No resources found.	
Intellectual Property	Niue is member of the World Intellectual Property Organization convention only.	It is uncertain how the intellectual property framework affects investment and innovation.
	<p>Patent protection in New Zealand extends to Niue. A New Zealand trade mark registration under the 1953 Act previously extended coverage to Niue. However, this Act was repealed and the new 2002 Act does not extend this same coverage. The legal texts are not yet complete.</p> <p>It is possible to claim and assert rights in a trade mark in Niue; that being through common law and is based on use of the mark and public awareness of the mark and the goods/services which it covers.</p> <p>Genuine use of the trade mark within the jurisdiction is one of the most effective ways to protect trade mark rights in Niue. The other most effective strategy is the publication of a cautionary notice in a local newspaper.</p>	Despite being part of the legal system, the protection of intellectual property seems unreliable and may scare investors.

Review of the current and future policies and innovation programs in the mineral and natural resources sectors

Land ownership The Investment Code guarantees to foreign enterprises that there shall be no compulsory acquisition or expropriation of the property of any enterprise in Niue except:

- in accordance with due process of law;
- for a public purpose defined by law;
- for payment of compensation in a manner prescribed by law.

Natural resources The Niue Copra Ordinance dates back from 1916. If the country wanted to invest in this sector, it would need new legislation on this topic.

Niue is party to a number of regional and international environmental conventions, instruments and agreements. Related programs/projects underway in Niue include Climate Change, State of the Environment Reporting, Land Degradation (Desertification) and Water and Waste Management Strategy Development.

Mineral resources In 1999, a Niue Mineral & Aggregate Policy was designed by the Applied Geosciences and Technology Division of the Secretariat of the Pacific Community. This policy document was requested by the Niuean Government, in response to mineral exploration activity that has been ongoing in the country since the late 1970s. This policy sets up mining rules concerning exploration and mining and quarrying development on land and in the seabed. But as you can expect, it needs to be updated.

Deep sea mining No resources found.

Renewable energy Niue is a member of the Pacific Islands Energy Policy and Strategic Action Planning (PIEPSAP).

10.10 Palau

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
Investment	<p>The 1991 Foreign Investment Act provides approval-process guidance for foreign investment. In late 2010, the Government of Palau revised its implementing regulations, changing several key requirements in a bid to encourage more foreign investment.</p> <p>Palau also made enforcing contracts easier by introducing an electronic filing system for court users.</p>	<p>Palau has not been able to attract many foreign investors. The main barriers to the development of foreign investment in the country are the low level of transparency in its procedures, the slow progress in resolving conflicts, the prerequisite of hiring only Palauan citizens and an annual fee of USD 500 for foreigners to obtain a work permit. Moreover, many of the economic sectors of the archipelago are not open to foreign direct investments. However, since 2011, the government has started a revision of the foreign direct investment regime in order to make the country more attractive to investors.</p>
	<p>The 2011 Foreign Investment Act provides approval-process guidance for foreign investment and the Foreign Investment Regulations reserves some businesses for Palauan citizens.</p>	<p>Restrictions of activities in a number of areas may reduce availability of funds and inhibit or dissuade innovation.</p>
	<p>Other sectors are semi-restricted, requiring a Palauan partner, though no fixed percent of ownership is required.</p>	
	<p>The Government of Palau does not apply performance requirements or incentives to domestic or foreign</p>	<p>Unavailability of funds may discourage innovation if other private sources of funding do not exist in the</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	investors. Businesses in Palau must pay a straight 3% duty on all imported items, with no exemptions. There are no taxes on exports.	country. However, Palau strengthened its secured transactions system through a new law that establishes a centralized collateral registry, broadens the range of assets that can be used as collateral to include future assets, allows a general description in the security agreement of debts and obligations as well as assets pledged as collateral, establishes clear priority rules outside bankruptcy for secured creditors and allows out-of-court enforcement of the collateral.
Trade	Palau made trading across borders easier by improving the system for calculating customs duties and thereby reducing customs clearance time.	This facilitation may have a positive effect on investment, but it is unclear if the effects will spill over to innovation activities.
Training	No resources found.	
Research and Development	No resources found.	
Standards	No resources found.	
Procurement	Palau has enacted the Procurement Law and Regulations, which applies to the procurement of goods and services by the national and state governments and by most agencies of the national government. Semiautonomous agencies set their	Compliance with US regulations reduces compliance and administrative burdens and may encourage investment and innovation. It is uncertain if procurement law affects the mineral and natural resources sector.

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>own procurement policies, which must at least meet the standards of the Procurement Law and Regulations. Copies of the Government’s public procurement policy can be obtained from procurement offices, libraries, and other government offices upon request. Palau has a centralized procurement system in which all procurements are processed through the Ministry of Finance.</p> <p>In addition, as Palau receives various grants from the United States, these grants contain conditions requiring compliance with U.S. procurement regulations.</p>	
	<p>Palau adopted a Code of Ethics Act prohibiting, criminalizing, and penalizing certain conflict of interests, bribery, collusion, and other acts impeding competitive bidding. The Code of Ethics Act addresses conflict of interest, related party matters, collusion, bribery, other procurement-related irregularities, and provides penalties for infraction. Palau endorsed the ADB/OECD Anti-Corruption Initiative for Asia and the Pacific.</p>	<p>It is expected that less discretionary bureaucratic power may encourage investment and innovation because of increased transparency.</p>
	<p>The Procurement Law designates</p>	<p>It is expected that less discretionary</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>three Procurement Officers for the government: Director of Public Works for procurement of construction services, Director of Public Service System for professional services, and Chief of Property and Supply for all other procurements. The Procurement code ensures the fair and equitable treatment of all persons who deal with the procurement system, or any of its state governments, and applies to construction materials, goods, and services, and the management, control, warehousing, sale, and disposal of construction materials, goods and services.</p>	<p>bureaucratic power may encourage investment and innovation because of increased transparency. Though other agencies set their own procurement policies, transaction costs may be negligible.</p>
	<p>The legislative framework gives procurement personnel considerable discretion, particularly in interpreting undefined terms. The legislation allows competitive negotiation if a procurement officer deems competitive bidding to be “impractical” or “not advantageous,” without, however, defining these terms.</p> <p>To reduce corruption by increasing participation in procurement, the Procurement Law requires procurement opportunities to be announced in a newspaper of general</p>	<p>The discretionary nature of the framework counteracts incentives provided by the Code of Ethics; this uncertainty may have a negative impact on investment and innovation.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	circulation in Palau.	
Intellectual Property	<p>There are no patent or trade mark laws in Palau. It is therefore not possible to register a trade mark in this jurisdiction. The only way to claim and assert rights in a trade mark is through common law and is based on use of the mark, the public's awareness of the mark and the goods/services which it covers.</p> <p>The most effective strategies to protect trade mark rights is publishing a cautionary notice in a local newspaper as well as to make genuine use of the mark in Palau.</p>	<p>The lack of local laws for the protection of intellectual property may hinder local innovation.</p>
	<p>Palau is not a member of the World Intellectual Property Organization, World Trade Organization, or any other organization or convention protecting intellectual property rights.</p>	

10.11 Papua New Guinea

Review of the current and future policies and innovation programs in the mineral and natural resources sectors

Land ownership	Foreigners cannot own land in Palau, but they can own buildings that they have legally erected on leased land (e.g., prefabricated structures). Foreigners are able to lease government-owned land for lease terms of up to 99 years. In addition, they can lease private land for up to 50 years, with an option to renew for up to an additional 49 years. Condominiums may be leased for 99 years.
	The Land Court of Palau issues Certificates of Title. Portions of Palau are still un-surveyed and lack Certificates of Title. Ownership of much land remains unclear, and overlapping and contesting Warrantee Deeds and Deeds of Transfer are common in Palau. Land owned by Palau's clans is communal property and negotiating the terms for land requires the cooperation and agreement of many individuals.
Natural resources	The Koror state government engages in commercial production of dredged coral from the lagoon but very few information can be found on the Internet.
	The Cooperative Research & Extension (CRE) Department of Palau Community College implements the Agriculture Experiment Station, Cooperative Extension Service and Residential Instruction of the College of Micronesia Land Grant Programs in Palau. CRE's programs are done in a multidisciplinary approach through the four main divisions; one of them is the Natural Resources and Environmental Education.
Mineral resources	No resource found.
Deep sea mining	A few Palauan have taken part in the Legal Capacity Building Programs of the Secretariat of the Pacific Community to undertake legal research on deep sea mining.
Renewable energy	Palau is a member of the Pacific Islands Energy Policy and Strategic Action Planning (PIEPSAP).

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
Investment	<p>The 1992 Investment Promotion Authority (IPA) promotes and facilitates investment and acts as a one-stop shop for investors. Foreign investment does require government approval and the procedure is implemented by the government with the assistance of the IPA per the Investment Promotion Act.</p> <p>Papua New Guinea (PNG) has established a Policy Framework of Responsible Sustainable Development, and has made progress by creating policies and systems to streamline the regulatory and administrative requirements for foreign investors.</p>	<p>This policy framework may facilitate the entry of foreign investment and speed up exchanges given the low compliance and administrative burdens. As the IPA is the only agency to deal with investment, transaction costs to set up business in the country may be low. Thus, it may be expected that innovation would occur as foreign funding becomes available.</p> <p>However, it is unclear how the policy is implemented or enforced. Delays because of Parliament's proceedings may discourage potential investors.</p> <p>Furthermore, operation of a new private credit bureau improved the credit information system in Papua New Guinea.</p>
	<p>In December 2013, the IPA introduced an online registry system that will significantly speed up the registration of companies. Jointly funded by the International Finance Corporation and the New Zealand government, the new online registration system is part of IPA's modernization program aims at improving the ease of doing business in the country.</p>	<p>The registry system may formalize and increase the visibility of some economic activities.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>It is unclear if this system is working (the website is not active.)</p>	
	<p>Under Papuan laws, Section 28 of the Investment Promotion Act stipulates the requirements. The Certification unit accepts application for certification by foreign enterprises, processes and makes recommendation to the Board for approval. The certification of foreign enterprises by the IPA does not relieve a company from meeting the requirements of other agencies nor does it override their approvals.</p> <p>The 1997 Companies Act and 1998 Companies Regulation oversee matters regarding private and public companies, both foreign and domestic. Under the Companies Act 1997, in order to do business in PNG, Foreign companies must register on the PNG Register of Companies. They can either register as an overseas company incorporated under another jurisdiction or set up a PNG registered company wholly owned by an overseas company.</p>	<p>For a company to be registered under the laws of another country provides the possibility to be ruled by a more sophisticated and secure legal framework. This may motivate innovation and investment across all the economic sectors involved, although it is unclear how the different legal systems would affect use of mineral and natural resources.</p> <p>Though there might be compliance and administrative burdens around registration and approval, it is unclear if the related costs are significant relative to the size of the investment. The approval, certification and registry may formalize and increase visibility of some economic activities.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>Once entered into the PNG Register of Companies, certification of the company by IPA is required.</p>	
	<p>In 2014, the government amended the 1997 Companies Act to improve corporate governance and ease regulatory burdens. The main six changes to the act are as follows:</p> <ul style="list-style-type: none"> -increased protection and benefits for shareholders; -clarification of duties imposed upon directors; -a more transparent and streamlined process of issuing shares; -increased protection of creditors, including a more disciplined liquidation process; -a clearer process for filing annual returns; -streamlined filing requirements in anticipation of implementing an online registration. 	<p>These changes may facilitate investment and secure profits from innovation activities. It also sets investment as a priority for PNG development.</p>
	<p>In 2013, the government amended the Takeovers Code to include a test for foreign companies wishing to buy into the ownership of local companies. The new regulation states that the Securities Commission of</p>	<p>Takeovers may be an important part of economic activities, thus it is uncertain if discretionary decisions from SCPNG will prevail over investment decisions. It is not clear how this would affect investment and</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>Papua New Guinea (SCPNG) shall issue an order preventing a party from acquiring any shares, whether partial or otherwise, if the commission views that such acquisition or takeover is not in the national interest of PNG.</p>	<p>innovation.</p>
	<p>The Investment Promotion Act 1992 provides the general guiding framework for all investment in PNG, while investment in some key sectors is handled by other bodies under specific sectoral legislations.</p>	<p>Separate legislation for the economic sector may facilitate access to information and research for investment planning.</p>
	<p>Mandatory localization plans for businesses were removed in 2009 (Employment of Non-Citizens Act 2007); compulsory trading reports detailing actual training activities are still required for businesses to renew foreign work permits. A new entry permit (Resident (Long Term) Entry Permit) was also introduced in September 2005 to extend permanent residency to majority foreign owners of businesses that have operated in PNG for at least five years.</p>	<p>This may facilitate settlement of foreign investors and entrepreneurs, as well as secure their permanence and rights to profits.</p>
	<p>In May 2016, the High Court of Papua New Guinea ordered a Singapore-based operating company to release key accounts for inspection. The court found the PNG government</p>	<p>This move may lead to some control of the government over foreign companies, which the latter may not be satisfied with.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>had the right to examine the documents based on its contract terms with the PNG Sustainable Development Program (PNGSDP).</p> <p>The items for inspection include ledger and management accounts as well as disputed documents involving expenditure.</p>	
Trade	<p>Trade-related and foreign investment policies are to be aligned with the Government's over-arching development plan, Vision 2050; the Prime Minister's Office and the NEC through the Public Sector Reform Management Unit are heavily involved in implementation. However, despite on-going efforts, which may bring longer-term improvements, PNG's trade policy framework remains weak institutionally, with insufficient coherence and coordination. Policy-making is largely ad hoc, which weakens the mainstreaming of trade policy into economic and development policies.</p>	<p>Weak institutional framework deters investment and innovation as it is not clear the sustainability of government decisions. Weak institutional framework opens the possibility of unsustainable exploitation of mineral and natural resources.</p>
	<p>Prices Regulation Act: certain declared essential goods and services are subject to either price control (Section 21) or price monitoring</p>	<p>Price controls may affect investment and innovation because of reduced profitability but it is uncertain if they affect mineral and natural resources.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>(Section 32) to benefit consumers (Chapter 32).</p>	
	<p>The 2002 Independent Consumer and Competition Commission Act is the law that governs in the area of competition. It also established the Independent Consumer & Competition Commission (ICCC), the country's premier economic regulatory body and consumer watchdog; introduced a new regime for the regulation of utilities, in particular in relation to prices and service standards; and allowed the ICCC to take over the price control tasks.</p>	<p>Though the Act sets responsibilities to specific agencies and reduces uncertainty, price controls may affect investment because of the reduced profitability. However, it is uncertain if price controls affect the mineral and natural resources sector.</p>
	<p>Papua New Guinea's trade policy has focused primarily on tariff liberalization, removal of non-tariff barriers to trade, providing tariff protection for specific local industries and undertaking negotiations on trade agreements. Guided by its development objectives, Papua New Guinea has pursued its trade policy in making appropriate interventions on imports and enhancing market access for exports.</p>	<p>These actions may facilitate trade and opening possibilities for investment to occur. Greater access to export markets may also increase availability of funding and encourage innovation.</p> <p>However, the increase in market size and the possibility of exporting PNG goods based on natural resources may add pressure on these resources.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>The Tariff Reform Program (TRP), which the Government embarked on from 1999-2006 had the objective of creating a more efficient and productive private sector through increasing international competition in the domestic economy. Under the TRP, tariffs were gradually reduced through a planned schedule of reductions, which was legislated within the Customs Tariff Act.</p>	<p>Competition may reduce entry barriers to markets, and other companies may arise based on entrepreneurships. Investment and innovation may be positively affected. Further competition and entry of companies may increase pressure on natural resources.</p>
Training	No resources found.	
Research and Development	<p>There are several government/authority financed and/or subsidized research and development programs available to foreign firms:</p> <ul style="list-style-type: none"> -Feasibility contribution scheme. The government, through the Investment Promotion Authority, is prepared to assist with the preparation of feasibility studies by contributing up to half the cost of such an exercise; -Infrastructure: Where considered appropriate, the government is sometimes prepared to provide or finance infrastructure needed for a particular project in exchange for a negotiable user charge; and -Assistance to Papua New Guineans: 	<p>The increased availability of funds may increase investment and innovation across many areas. It is unclear if this public funding crowds out other private initiatives.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>The government offers a number of forms of financial assistance to Papua New Guineans to assist with the establishment of small-scale business operations, primarily through the Small Business Development Division of the Department of Trade and Industry.</p>	
Standards	<p>Main regulators of the country include the Bank of Papua New Guinea, the Securities Commission of Papua New Guinea (SCPNG), the Business Registration & Regulation Division (BRRD) of the Investment Promotion Authority, and PANGTEL, the licensing authority and regulator of telecommunications.</p> <p>The National Institute of Standards and Industrial Technology of Papua New Guinea (NISIT) is the government body established under the NISIT Act 1993 to evaluate, improve and establish conformity assessment schemes, and to address issues of productivity and technical barriers to trade. It is responsible for developing, adopting, reviewing, and publishing PNG National Standards (NISIT Act, 1993). These are developed by consensus based on nine registered Technical Committees</p>	<p>There appears to be a clear definition of rules and agencies, which may reduce uncertainty on standardization.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>(including the Units Standards Calibration Committee), which have private- and public sector representatives. Papua New Guinea is a correspondent member of the International Organization for Standardization (ISO).</p>	
	<p>PNG has some 1 200 National Standards, covering mostly mechanical and electrical technology applications.</p>	<p>There appears to be a clear definition of rules by sector, which may reduce uncertainty on compliance.</p>
	<p>Mandatory standards are contained in specific regulations, and are published by the NISIT in the Register of Mandatory Standards, Reference in the Legislation of PNG.</p>	<p>There appears to be a clear definition of rules by sector, which may reduce uncertainty on compliance.</p>
Procurement	<p>Government procurement has been partially reformed by amending the relevant legislation (the 1995 Public Finance Management Act) in December 2003. Associated changes were made in 2005 to the Financial Instructions (Good Procurement Manual and Financial Management Manual). PNG has therefore centralized national government procurement under the Ministry of Treasury and Finance.</p>	<p>Centralization may help in coordinating investment and reducing transaction costs on planning.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
Intellectual Property	<p>The Intellectual Property Office of Papua New Guinea (IPOPNG) protects and promotes intellectual property laws in Papua New. The country adopted the Patents and Industrial Designs Act 2000, Copyrights and Neighboring Acts 2000, and the Trade Marks Act, which has been in force for the past twenty five years.</p> <p>Papua New Guinea accepts direct patent filings as well as applications filed via the Patent Cooperation Treaty National Phase Entry system.</p> <p>Trade mark applications can be lodged directly with the Intellectual Property Office of Papua New Guinea. Multi-class applications are not allowed in Papua New Guinea; a separate application per class is required.</p>	<p>There appears to be a comprehensive body of intellectual property legislation, which may reduce costs on investment research and planning. It is unclear if proper enforcement occurs.</p>
	<p>IPOPNG has undertaken policy initiatives with the aim of strengthening and improving the existing intellectual property legal framework to ensure that these legislations are fully compliant with the TRIPS obligations. The main improvements include:</p>	<p>There appears to be a comprehensive body of intellectual property legislation, which may reduce costs on investment research and planning. In addition, it secures intellectual property rights and may encourage innovation.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p data-bbox="416 414 877 696">-A complete amendment of the Trade Marks Act that includes provisions on Geographical Indicators, well known marks and collective or multi-classed applications and requirements for the Madrid protocol;</p> <p data-bbox="416 734 877 965">-Substantial amendments to the Patents & Industrial Designs Act to include provisions on Patent Cooperation Treaty and compulsory licensing; and,</p> <p data-bbox="416 1003 877 1182">-Significant changes to the Copyright & Neighbouring Rights Act to allow for establishment of Collective Management Organizations.</p>	

Review of the current and future policies and innovation programs in the mineral and natural resources sectors

Land ownership The Lands Act 1996 gives title to land, which includes water. The Act contains an ambiguity in relation to marine areas as the Act does not define “land”. A major issue in relation to management areas is boundary delimitation. Although the Lands Settlement Act and the Land Groups Incorporation Act can be used to describe land areas there is no capacity within either Act to register marine areas. The Customary Lands Registration Bill and the Provincial Lands Registration Bill may offer some scope to address this deficiency.

Natural resources No resources found.

Mineral resources The Mineral Resources Authority of Papua New Guinea is a government agency established by parliament through the enactment of the Mineral Resources Authority Act 2005. The Authority is responsible for overseeing the extractive minerals sector in the country, and is divided into the following four divisions including a Development Co-ordination Division, which ensures that exploration and mining activities in Papua New Guinea are done in accordance with regulatory and policy framework; and a Geological Survey Division which is responsible for carrying out research to assist with exploratory work in the mineral sector.

Acts of parliament that legislate on extractives include the Mining Act 1992, which regulates the law relating to minerals and mining; and the Mining (Safety) Act and Regulations 2007, which provides for regulation and inspection of mines and works.

The Mining Act, 1992 is the main piece of legislation that governs mining activity in PNG. The key point here is noted in Section 5 where it states that “*all minerals existing on, in or below the surface of any land in Papua New Guinea, including any minerals contained in any water lying on any land in Papua New Guinea are the property of the State and that all licenses for leases subject of mining areas are made pursuant to the Mining Act.*”

The Act also dictates the process for acquiring different types of tenements which are issued by the Mining Minister on recommendation from the Mining Advisory Council (MAC) under the Mining Act 1992. These tenements are: Exploration License, Mining Lease, Special Mining Lease, Alluvial Mining Lease, Lease for Mining Purpose and Mining Easement.

The other significant legislation is the *Environment Act 2000*, which is under the authority of CEPA. It provides the overall framework for regulating potential environmental and social effects and establishes the type and scale of activities that require assessment. There are different project classification levels which reflect the assessment process to be undertaken and are assigned based on potential environmental, social and economic impacts.

Mining tenements cannot be granted without the environmental permitting process being completed, which includes both environmental and social assessment elements.

In some projects, such as the Hidden Valley/Hamata Mine, the contradictory role of the state as both the regulator of the mining company and its partner in the mining development, along with a lack of awareness about issues of sustainable development, adds to the difficulty of implementing the provisions of the Environment Act.

In general, CEPA requires all mines to prepare an Environmental Impact Statement (EIS) which is the highest level of assessment in PNG, that is, Level 3. The following mining activities are the exception and considered Level 2A activities; a lower level of assessment requiring a targeted Environmental Management Plan and assessment only:

- any drilling program where the aggregate depth of all holes drilled is greater than 2500 meters;
- mechanized mining involving nonchemical processing of no greater than 50 000 tonnes per annum (tpa);
- quarrying of no more than 100 000 tpa or continuous gravel for more than six months of no greater than 10 000 tpa.

The Department of Environment and Conservation is responsible for establishing environmental standards, conducting environmental impact assessments, coordinating greenhouse gas policies and being a centre for accessing GEF financing and carbon credit support.

The Environmental Planning Act 1978 establishes mechanisms for State control over the exploitation of natural resources. The main sector environmental plans are applied is reported to be the forestry sector.

The Act provides the mechanism for environmental planning processes when any proposal is likely to have significant environmental and social impacts. All the government departments are bound by this act.

An Environment Bill was drafted in 1998. The Bill (approved by Cabinet in 2000 but yet to enter into force) and its associated four sets of Regulations (Permit regulations, Environment Board Regulations, Requirements for EIA Regulations and Fees Regulations) attempts to integrate the three previous systems of legislation relating to environmental planning, contaminants licensing and water resource management. Additional Regulations concerning hazardous contaminants and noise control are yet to be drafted. The main features of the Bill are improved definition of the functions of the Environment Board and the use of Statutory Environment Policies. Legally binding Policies covering any component of the environment (e.g. water, air and marine), the use of the environment (e.g. forestry) and management of the geological sector (e.g. watershed management). The Policies, supported by Operational Procedures, include the identification of the beneficial values of the environment so that development activity can be measured against impacts on the identified values of the environment.

Papua New Guinea is compliant with the Extractive Industry Transparency Initiative. It produces reports that disclose revenues from the extraction of its natural resources. Companies disclose what they have paid in taxes and other payments and the government discloses what it has received.

**Deep sea
mining**

In the territorial waters of Papua New Guinea, the Canadian company, Nautilus Minerals has been given a deep sea mining license by the government for its Solwara 1 site. It currently represents the best potential deep sea site in the world

and a world's first operating license.

Nevertheless, there is no national regulatory framework in place and limited capacity to implement one, if one was developed. Furthermore, Solwara 1 was awarded license and environmental permits despite three independent reviews of the environmental impact statement mine finding significant gaps in the underlying science.

A dispute with the government of Papua-New Guinea delayed production and its now scheduled to commence commercial operations in early 2018.

Renewable energy	<p>The Energy Division is part of the Department of Petroleum and Energy (DPE). The Division is responsible for energy policies and plans, data collection and analysis, and advice to the Government on energy sector issues. According to the DPE, extremely limited resources have seriously hampered energy related data collection and analysis. Data collection for renewable energy has been particularly difficult to gather. In practice, the DPE concentrates on electric power, although PNG Power Ltd, the national electricity utility, undertakes most power sector planning</p> <p>Much of the country's electricity is generated by hydropower stations, with the balance generated by thermal stations. Solar power has successfully been implemented in the supply of domestic hot water systems.</p> <p>Solar energy is among the largest potential sources of renewable energy in the country.</p> <p>The Geothermal Policy 2012, which provides a guiding framework for the exploitation, development, production and use of geothermal energy resources. No systematic geothermal energy assessments have been carried out but reconnaissance studies suggest that the most promising area is the northern coast of New Britain where there are at least seven geothermal sites.</p> <p>In 1994, the World Bank estimated the gross potential of large-scale hydro as roughly 20 000 megawatts and 175 000 gigawatts per hour/year, with a technically feasible potential of 14 000 megawatts and 122 600 gigawatts per hour /year. The economically feasible sites total about 4 200 megawatts, producing roughly 37 000 gigawatts per hour /year. These estimates exclude micro- and mini-hydro for rural communities, which have a large exploitable potential. Over</p>
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10.12 Pitcairn

100 potential mini-hydro sites have been assessed in 17 provinces.

Ethanol (alcohol) can be produced from sugar-cane, molasses, sago palm, nipa palm and other crops and blended with petrol to fuel vehicles. Reportedly, between 200 million litres and 1 100 million litres of fuel alcohol per year could be produced from sago palm in the Gulf Province alone and over 250 million litres could be produced from nipa palm from the Purari Basin.

Papua New Guinea is a member of the Pacific Islands Energy Policy and Strategic Action Planning (PIEPSAP).

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector	Review 2: Current and future policies and innovation programs in the mineral and natural resources sectors
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No resources were found.

10.13 Samoa

Review of the current and future policies and innovation programs in the mineral and natural resources sectors

Land ownership	No resources found.	
Natural resources	No resources found.	
Mineral resources	No resources found.	
Deep sea mining	Manganese, iron, copper, gold, silver, and zinc have been discovered offshore. However, in September 2012, the Pitcairn community, with Pew, National Geographic and the Pitcairn Council, presented a joint proposal to the UK government for the creation of the world's largest fully protected marine reserve. The reserve would cover most of Pitcairn's exclusive economic zone and would exclude all forms of commercial extractive activity such as fishing, oil, gas and mineral mining but would allow for traditional subsistence fishing by Pitcairners. If created, this reserve will hinder innovation in the sector of offshore mining.	
Renewable energy	No resources found.	
Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
Investment	Samoa's foreign investment regime is largely permissive and aims to encourage foreign investors to establish business in Samoa. However, there are some restrictions on activities that can be conducted by foreign owned or part owned	This permissive foreign investment regime is positive for investment and innovation. However, restrictions on activities affect the availability of funds from foreign investment and may hamper innovation in these areas because Samoan nationals may not

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>businesses. Indeed, the Foreign Investment Amendment Act 2011 classified Reserved and Restricted activities, which are not allowed to foreign investors.</p> <p>The Government also offers tax incentives to exporters and tourism developers through a concession scheme. Income tax exemptions and tax credits are also available for tourism developments.</p>	<p>have the resources to invest or innovate in the restricted areas. Some flexibility may exist through joint ventures which would encourage small-scale innovation.</p>
	<p>Samoa's foreign investment regime is contained in the Foreign Investment Act 2000. All businesses with any foreign ownership require foreign investment approval. The approval process is administered by the Industry Development and Investment Promotion Division of the Ministry of Commerce Industry and Labor (MCIL).</p>	
	<p>Samoa law recognizes the various business structures utilized in the common law world: sole traders, partnerships, limited liability companies, joint ventures and trusts (including unit trusts). These structures are regulated by legislation including the Companies Act 2001,</p>	<p>The fact that the legislation is modeled on laws from developed countries may reduce uncertainty for investors.</p> <p>SPICA may change the business environment by reducing compliance and administrative burdens when starting a company. The legal format of the Samoan International Company</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p data-bbox="419 360 882 846">Partnership Act 1975, Trustee Act 1975 and Unit Trusts Act 2008. Samoa's Companies Act 2001 contains a modern regulatory regime based on New Zealand company law. It allows the incorporation of a sole person company (ie one person being both shareholder and director) and directors need not be resident in Samoa.</p> <p data-bbox="419 887 882 1167">The Special Purpose International Companies Act 2012 (SPICA) introduces a new form of hybrid company, based upon a familiar and popular format, the Samoan International Company.</p> <p data-bbox="419 1207 882 1738">A Samoa incorporated private company is a separate legal entity and a corporation under Samoan law. It must file an annual return with the Registrar of Companies specifying details of directors, shareholders, registered office etc. There is no requirement for private companies to file annual financial reports with the Companies Registry nor are there any minimum capital requirements.</p> <p data-bbox="419 1778 882 1955">A company incorporated in another jurisdiction but which is doing business in Samoa may reregister in Samoa as an overseas company.</p>	<p data-bbox="890 360 1364 495">may be more appropriate to the Samoan context in order to readily incorporate innovation attitudes.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>Reregistered overseas companies must also file annual returns but are not required to file copies of financial reports with the Companies Registry.</p> <p>Samoa's new Personal Property Securities Act 2013 has yet to come into effect but will introduce an electronic registration scheme for security interests in personal property, similar to those in Australia and New Zealand.</p> <p>Businesses operating in Samoa also require a business license which is renewed annually.</p>	
	<p>A Citizenship Investment Bill has been adopted in 2014.</p> <p>Foreigners could gain Samoan Citizenship if they are willing to invest 420,000 USD. The price tag is negotiable, and there is a waiting period and series of checks that must take place</p> <p>The Bill essentially serves as a means to attract potential investors to Samoa to aide its future economic development.</p>	<p>This Bill may change the business environment by increasing the availability of funds in Samoa. Some analysts believe this bill will support employment creation, especially for returning graduates, while others fear that it will afford foreign investors the same privileges to and over freehold land as those held by Samoans.</p> <p>However, costs relating to innovation activities may then decrease as the number of companies increases. Depending on the number of foreigners applying for Citizenship through this law, the market size may also increase</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
		<p>which would further incentivize innovation activities given the potentially larger number of customers.</p> <p>The increase in market size and the possibility to export Samoan goods based on natural resources may add pressure on them.</p>
	<p>Screening of foreign direct investment procedures for establishing a business are provided under existing legislation such as that of the Companies Amendment Act 2006, Foreign Investment Amendment Act 2011, the Business License Act 1998, Labor and Employment Relations Act 2013 and the Central Bank Act and Guidelines.</p>	<p>Legislation related to foreign direct investment may reduce uncertainty and give clear rules on issues around royalties and ownership of innovative ideas. However, Samoa made transferring property more expensive by increasing the stamp duty.</p>
	<p>The Unit Trust of Samoa is an initiative of the Government of Samoa mandated under the Unit Trusts Act 2008, whose goal is to provide “an investment vehicle for an ordinary Samoan out in the village, a small farmer or fisherman”. The establishment of the Unit Trust of Samoa was approved by the Minister of Finance on 2nd March 2009 as required by section 3 of the Unit Trusts Act 2008.</p>	<p>This Unit Trust may change the business environment by increasing the availability of funds in Samoa. Costs relating to innovation activities may then decrease as the number of companies increases. Depending on the number of applicants, the market size may also increase, which would further incentivize innovation activities given the potentially larger number of customers. Additionally, as the Trust is directed to people far from the main markets, it would help reduce transaction costs for all exchanges, and</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>The Trust is an opportunity for small investors to access a range of investments while at the same time spreading risk and leaving the management of their savings in the hands of experts. It is also a part of the Government's policy of partially privatizing some state owned enterprises and promoting wider participation by residents in the future development of Samoa.</p>	<p>open more market possibilities which may encourage innovation.</p> <p>However, in the first six months of operation no significant amounts of investment were channeled through this scheme.</p> <p>The larger availability of funds may add further pressure on natural resources through increased exploitation or increased use of land for more profitable activities.</p>
	<p>Samoa's international finance centre is administered and regulated by the Samoa International Finance Authority (SIFA) which was created under the auspices of the Central Bank of Samoa.</p> <p>Established as a government corporation in 2005 by the <i>Samoa International Finance Authority Act 2005</i> (SIFA 2005), the SIFA provides up to date wealth management solutions to prospective and current investors seeking to establish and maintain structures for their benefits.</p> <p>Entities registered under any of the laws administered by SIFA except for Trustee Companies are exempted (whether direct or indirect) on their</p>	<p>The SIFA certainly helps investors dealing with perpetual and stringent changes on international regulations and standards.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>profits or gains, or upon transactions and contracts from taxation. There are also no currency or exchange control regulations to the taking or sending of any foreign currency out of Samoa by any of the offshore entities via the banking sector.</p>	
Trade	<p>The Ministry of Commerce, Industry and Labor is responsible for competition regulation in Samoa. The statutory competition regimes are contained in the Fair Trading Act 1998 (modeled on Australian trade practices legislation) and the Consumer Information Act 1989. The legislation provides for consumer protection, regulation of restrictive trade practices, certain consumer guarantees and labeling and advertising.</p>	<p>The fact that the legislation is modeled on laws from developed countries may reduce uncertainty for investors.</p>
Training	<p>The Samoa In Country Training Program (SICTP) has been created in 1991, with funding from the New Zealand and Australian Governments as well as in-kind support from the Government of Samoa. The SICTP provides capacity building support for human resources from the public, private and civil society sectors through the coordination and implementation of in country</p>	<p>The SICTP might increase labor qualification and therefore lead to innovation.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>training's (short courses) in generic and technical skills, conducted by overseas and local trainers.</p>	
Research and Development	<p>Foreign firms may be involved in government financed or subsidized research and development programs as technical and in-country capacities are limited.</p> <p>However, conditions and limitations may be dependent on the source of project financing.</p>	<p>These programs may reduce the costs of innovation as resources for entrepreneurs will exist in Samoa, which would reduce the need for international assistance.</p> <p>These programs may be directed toward research in the mineral and natural resources sectors if economically significant resources are found.</p>
Standards	<p>Samoa is not a member of the International Organization of Standardization.</p> <p>The Financial Supervision Department of the Central Bank is regulating, licensing and supervising the financial system with the aim to:</p> <ul style="list-style-type: none"> -safeguard the interests of depositors, creditors, policy holders and unit holders by monitoring and enforcing international standards and best practices; -maintain confidence by promoting a sound and stable financial system for customers and the public in general. 	<p>Lack of international compliance may hamper international investment in the country.</p> <p>Standard legislation seems to exist in certain sectors, but it is uncertain if there is an overall effect on innovation.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
Procurement	<p>Section 127 of the Public Finance Management Act 2001, Treasury Instructions 2013 Park K, Treasury Regulations 1965 and any Treasury Circulars issued since 1 March 2011 regulate procurement in Samoa. These Guidelines describe the general principles and procedures which, except as the Tenders Board may otherwise agree, shall be observed in carrying out procurement.</p>	<p>It is uncertain if procurement legislation supports a high level of transparency.</p>
Intellectual Property	<p>The Copyrights Act 1998 applies to work including books, pamphlets, articles, computer programs, speeches, lectures, musical works, audiovisual, works of architecture etc.</p> <p>The Intellectual Property Act 2013 concerns the registration and enforcement of rights of owners of Trademarks, Patents, Industrial designs, GI and Plant varieties.</p> <p>There are two types of patent applications, those being standard Samoan patent applications (whether or not claiming ‘informal’ Paris Convention priority) and innovation patents (lower level of inventiveness</p>	<p>Provided proper enforcement, these laws enable ease of appropriation for innovation activities, and reduce risk when starting a new company.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p data-bbox="416 360 869 450">– similar to an Australian innovation patent).</p> <p data-bbox="416 479 869 611">Samoan trade mark applications can be lodged directly with the Ministry of Commerce Industry and Labor.</p>	

10.14 Solomon Islands

Review of the current and future policies and innovation programs in the mineral and natural resources sectors

Land ownership

Land ownership and dealings are governed by the Land Titles Registration Act 2008. This modern legislation introduces indefeasible title for freehold and public land, using the Torrens Title system, similar to Australia and New Zealand. Land in Samoa is categorized as being freehold land (privately owned), public land (owned by Government) and customary land (owned communally in accordance with traditional custom and usage). Customary land may be leased, but cannot be sold or mortgaged. Public land may also be leased.

Transfers of freehold land to foreigners, foreign owned companies and non-resident Samoan citizens are subject to strict controls. The Alienation of Freehold Land Act 1972 puts in place a regime that requires the Head of State's consent to any transfers of freehold land to:

-companies where more than 25% of the shares are owned by foreigners or non-resident Samoan citizens;

-individuals who are not Samoan citizens, or who are non-resident Samoan citizens.

If land is transferred to such buyers without the Head of State's consent, the transfer is deemed to be unlawful and ineffective.

The Land Development section of the Ministry of Natural Resources and Environment is responsible for overseeing sand mining activities in the country, as well as monitoring illegal sand mining and processing applications for sand mining activities. However, there is currently no legislation in place pertaining to mining activities and the country is not currently compliant with the Extractive Industry Transparency Initiative.

Samoa shifted from a deed system to a title system and fully computerized its land registry, which reduced the time required to

	register property by 4 months.
Mineral resources	No resources found.
Natural resources	No resources found.
Deep sea mining	There are very few known mineral deposits in Samoa, although there are thought to be mineral deposits in the Pacific ocean surrounding the country's islands. In March 2013, the government of Samoa attended regional workshops on 'law and contract negotiations for deep sea minerals', which were held in Tonga. The main object of the workshops was to educate government officials to allow them to engage and negotiate effectively with deep sea mining companies.
Renewable energy	Samoa is a member of the Pacific Islands Energy Policy and Strategic Action Planning (PIEPSAP).
Topic	Summary of current legislations and policies
	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
Investment	<p>The previous Foreign Investment Act and regulations did not create a favorable environment for foreign direct investment: the procedures for approval were lengthy and lacked transparency, and there was a long list of activities reserved for nationals. A myriad of licenses and permits were also required, especially to ensure there was no encroachment into activities reserved for Solomon Islanders. A review of foreign investment legislation, with a view to facilitating and</p> <p>The new legislation may have reduced transaction costs to set up companies based on foreign investment as well as reduced compliance and administrative burdens. Furthermore, the Solomon Islands made registering property faster by separating the land registry from the business and movable property registries.</p>

	<p>encouraging foreign investment resulted in the adoption of a new Foreign Investment Act in 2005.</p>	<p>The increased availability of funds and markets may increase pressure on mineral and natural resources.</p>
	<p>Another important change under the Foreign Investment Act 2005 is the streamlining of procedures for regulating foreign investment.</p> <p>The Solomon Islands strengthened access to credit by passing a new secured transactions law, which broadens the range of assets that can be used as collateral, allows a general description of debts and obligations secured by collateral, permits out of court enforcement and creates a collateral registry.</p>	<p>Transaction costs, compliance and administrative burdens may have reduced, which would facilitate investment planning. Furthermore, the Solomon Islands strengthened investor protections by increasing shareholder access to corporate information. The Solomon Islands also adopted a new law that simplified insolvency proceedings.</p>
<p>Trade</p>	<p>A broad reform of import duties was implemented in 2007 which has harmonized tax rates, reduced statutory exemptions and reduced average tariffs, with most goods now taxed at 10 per cent, very much below Solomon Islands' WTO bound rates.</p>	<p>This reform may have facilitated trade, but it is not clear if the uniform 10% tariff is a significant deterrent for import markets and access by entrepreneurs. It is uncertain if trade reforms affect the use of mineral and natural resources.</p>
	<p>Trade policies are formulated on an ad hoc basis, often through inter-ministerial consultations.</p>	<p>Ad-hoc formulation may increase uncertainty and deter investment and</p>

While the ultimate policy decision is vested with the Cabinet, trade policies have not received the required attention in the country's overall development strategies.

innovation. Lack of coordination may render investors reluctant to invest in the mineral and natural resources sector.

A Trade Facilitation Committee, with representations from various agencies of the Government, has not met in several years. Instead, the Integrated Framework National Steering Committee (IFNSC), established in 2007 following the launch of the Integrated Framework, has de facto become the body to oversee trade policy matters. The Solomon Islands Chamber of Commerce and Industry (SICCI) is the link for the Government to interact with the private sector. The Chamber remains active in assisting the Government in formulating policies.

Uncertainty exists as agencies' responsibilities are not properly defined, this may in turn increase transaction costs on setting up investment and innovation planning. It is uncertain if there are any effects on the use of mineral and natural resources.

Solomon Islands do not have a generic competition law. The Consumer Protection Act 1995 contains general provisions on refusal to sell, tied selling, exclusive dealing, price discrimination, and monopolization.

Lack of a competition law increases uncertainty on the adequacy of the country to receive significant investment and the lack of regulation of market power may allow excessive exploitation of mineral and natural resources.

Training	No resources found	
Research and Development	No resources found	
Standards	<p>Solomon Islands have limited institutional capacity to adopt and enforce technical regulations and conformity assessment procedures. It did not adopt legislation to implement the Agreement on Technical Barriers to Trade of the World Trade Organization, nor has it made any notifications under that Agreement.</p> <p>It does not have a designated entity responsible for answering enquiries about technical regulations, conformity assessment procedures, and standards.</p>	<p>There is a great deal of uncertainty as standards are not clear and may change at the whim of political circumstances during the course of setting up investment.</p> <p>Unavailability of standards may lead to unsustainable exploitation of mineral and natural resources given the lack of limits.</p>
	<p>To the extent that technical regulations and conformity assessment procedures are embodied in subsidiary legislation, the administrative procedure for their adoption is governed by the Interpretation and General Provisions Act. Solomon Islands does not maintain an inventory of technical regulations or conformity assessment procedures in force.</p>	<p>There is a great deal of uncertainty as standards are not clear and may change at the whim of political circumstances during the course of setting up investment.</p> <p>Unavailability of standards may lead to unsustainable exploitation of mineral and natural resources given the lack of limits.</p>
	The Customs and Excise Act	There is a great deal of

<p>specifies certain technical regulations applicable on imports. There are no competent agencies to assess conformity with Solomon Islands technical regulations. There are no standardizing bodies in Solomon Islands.</p>	<p>uncertainty as standards are not clear and may change at the whim of political circumstances during the course of setting up investment. Furthermore, the National Metrology and Testing Laboratory was destroyed during the period of civil strife, and authorities are seeking funds to rebuild it. No information is available on market surveillance activities carried out by the authorities in connection with Solomon Islands technical regulations.</p>
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Procurement

<p>Solomon Islands are not a party or observer to the Government Procurement Agreement. Central government agencies procuring goods and services, or conducting public works, must follow instructions issued by the Ministry of Finance and Treasury. However, several audits by the Office of the Auditor General have revealed widespread non-compliance with legislation and guidelines on government procurement.</p>	<p>There is a great deal of uncertainty as procurement may change on the whim of political circumstances, which becomes a deterrent to investment and innovation. Discretionary bureaucratic power may allow rent seeking and overexploitation of mineral and natural resources.</p>
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Under the Public Finance and Audit Act 2014, the Minister of Finance and Treasury can issue financial instructions to ensure the proper supervision and control of Government finances. Chapter 22 of the Financial Instructions 2004 covers procurement of goods, services, and public works by the Central Government. The Financial Instructions also cover the sale of state assets. Solomon Islands does not maintain a system for the dissemination of procurement information, including advance information on procurement opportunities.

There is a great deal of uncertainty as procurement may change on the whim of political circumstances, which becomes a deterrent to investment and innovation. However, the Solomon Islands made getting electricity easier by improving procurement practices for the materials needed to establish new connections. Discretionary bureaucratic power may allow rent seeking and overexploitation of natural resources.

Intellectual Property

Solomon Islands is not a member of the World Intellectual Property Organization, neither is it a signatory to any international intellectual property rights treaty.

It does not have a specific policy on intellectual property rights. It did not adopt any legislation to implement the TRIPS Agreement.

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The legal framework offers copyright protection; patents and trademarks registered in the United Kingdom are eligible for registration within three years of the date of grant of the UK patent.

Intellectual protection rights for innovation activities are unclear.

The effect of intellectual property legislation on the mineral and natural resources sector is uncertain since the latter are not mentioned in the laws.

Trade mark registration must be based on a corresponding United Kingdom registration which is re-registered directly with the Registrar General of the Solomon Islands. Multi-class applications are permitted however service marks are not provided for in Solomon Islands' legislation.

The main statutes on intellectual property rights are the Copyright Act, the Registration of United Kingdom Patents Act, and the Registration of United Kingdom Trade Marks Act and the Secured Transactions Act 2008.

Review of the current and future policies and innovation programs in the mineral and natural resources sectors

Land ownership No resources found.

Natural resources The Ministry of Mines, Energy and Rural Electrification oversees the extractive industry in Solomon Islands and distributes mining leases to prospectors – however, these leases may require companies to enter into equity-sharing agreements with the government.

The government, through the Ministry of Mines, Energy and Rural Electrification, recently developed a national mineral policy, as mining is expected to top the country's exports in coming years. The new Mining and Minerals Amendment Act was implemented in 2014.

In July 2011 the Solomon Islands government agreed to implement Extractive Industries Transparency Initiative measures, and the international Extractive Industry Transparency Initiative (EITI) Board approved Solomon Islands' application for EITI candidacy on 27 June 2012. Prior to the approval of the country's candidacy, in early 2012, the Solomon Islands Extractive Industries National Stakeholder Group (SIEINSG) was formed as the primary body for overseeing and coordinating the implementation of EITI standards in the Solomon Islands. The body consists of extractive companies, government agencies and the civil society.

As an EITI candidate country, Solomon Islands must start disclosing payments from its extractives sector, and meet all the requirements laid out in the EITI standard within two and a half years of becoming a candidate in order to become EITI compliant. Implementing EITI measures is expected to bring important benefits to public financial management in Solomon Islands, as well as improving the investment climate, and managing the potential risks of future conflicts in the extractives industry.

In June 2014 Solomon Islands released its first report under the EITI, becoming the first country in the Pacific region to do so. The report reviews payments made by extractive companies to the government and measures them against those received during 2012 and 2013. The availability of such a report is expected to

benefit the country by making the information on revenues paid to the government by extractive industries public.

Although the extractives industry of the Solomon Islands is in the early stages of development, according to the EITI there is real potential for it to become the single largest component of GDP in the future.

Deep sea No resources found.

mining

Renewable energy Solomon Islands are a member of the Pacific Islands Energy Policy and Strategic Action Planning (PIEPSAP).

10.15 Timor Leste

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
Investment	<p>In 2013, Timor-Leste improved the business registration process and established the Service for Registration and Verification of Entrepreneurs (SERVE), a ‘one-stop shop’, for both foreign and domestic investors to register their businesses. It increased the speed and ease with which a business can be started. SERVE seeks to streamline the registration process to five business days.</p> <p>Furthermore, Timor-Leste improved its credit information system by establishing a public credit registry.</p>	<p>Compliance burdens may be reduced and innovation may be encouraged.</p> <p>However, the country's regulatory environment is complicated by a blend of laws that draws upon colonial Portuguese law, Indonesian law, and post-independence legislation. The lack of defined property laws, either real or intellectual, is a major barrier to investment, both foreign and domestic.</p> <p>Timor-Leste faces a range of long-term development challenges to achieve sustainable and broad-based economic growth. These challenges are compounded by infrastructure deficits, notably in the areas of transportation, telecommunications and electricity.</p> <p>The regulatory system is still in its early formative stages. Existing tax, labour, environment, health and safety, and other laws and policies do not seem to particularly distort or impede investment. Uncertainty about the content of future regulation, uneven implementation, and non-enforcement are impediments to investment.</p> <p>Bureaucratic procedures for establishing a new business are lengthy. Although some investors are</p>

		able to comply with all requirements, new entrants report that the processes are unclear, inconsistently administered, and slow. It takes, on average, 103 days to register a business.
Trade	<p>In 2007, the United States designated Timor-Leste as a Least Developed Beneficiary Developing Country under the Generalized System of Preferences (GSP) program.</p> <p>Timor-Leste is not a member of the World Trade Organization.</p>	<p>Despite this economic growth, Timor-Leste remains a challenging business environment. In its 2015 “Ease of Doing Business” The World Bank ranks Timor-Leste as one of the most difficult places in the world to do business, at 169 overall out of 185 countries. Timor-Leste ranked last in the world in terms of the ease of registering property, enforcing contracts, and closing a business. It also ranked near the bottom for getting credit, protecting investors, and starting a business. Timor-Leste’s relative strengths were paying taxes and trading across borders. Recent improvements streamlining the process for registering businesses in Timor-Leste have been positive.</p>
Training	<p>The Secretariat of State for Professional Training and Employment (SoSPTE) is the central organ of the government whose mission is to design, implement, coordinate and evaluate the policies for this area.</p> <p>In 2008, the Government created the</p>	<p>Many businesses in Timor-Leste have cited the lack of skilled workers as a barrier for them to invest. The government’s efforts are therefore very positive.</p> <p>The primary focus is on development of infrastructure and human resource capacity, with the goal of becoming a</p>

FEFOP (Fund for Employment and Professional Training) that supports initiatives to generate immediate employment through professional training, entrepreneurship training, and partnerships with micro-credits institutes, on-the-job training and support to their first job. middle-income country by 2030.

The SoSPTE has three directorates, according to the Government's priorities and policies for professional training: the National Directorate of Professional Training, the National Directorate of Work Relations and the National Directorate of Employment.

Within Professional Training, three bodies of indirect State administration were created: the National Centre for Employment and Professional Training of Tibar (CNEFP), the National Institute for Hand Work Development (INDMO) and the National Center for Industrial Learning (SENAI). The CNEFP, in cooperation with the Government of Portugal, and the SENAI, in cooperation with the Government of Brazil, support the creation and implementation of national training and employment programs.

The INDMO defines the competence standards and establishes a professional training certification system, according to national and

international standards.

Working in close collaboration with Secretary of State for Vocational Training, Employment and Policy (SEPFOPE) the Training and Employment Support Project (TESP) aims to facilitate economic development in Timor-Leste and to support employment growth, through the development and delivery of demand driven skills training. The TESP Project responds to the strategic priorities of the Secretary of State for Vocational Training, Employment and Policy (SEPFOPE) which are articulated in the long-term Technical and Vocational Education Plan (TVET Plan 2011-2030) and the National Employment Strategy (NES). Both the TVET Plan and the NES aim to support the needs of a modern economy with a highly diverse and skilled labor force. Both elaborate a key priority of the Strategic Development Plan of Timor-Leste (SDP: 2011-2030) which has underlined the lack of trained human capital as one of the main development challenges confronting the country.

**Research
and**

No resources found.

Development

Standards Timor-Leste does not yet have a defined technical standards regime or a national standards organization. The lack of legislation and standards will certainly slow down innovation.

Procurement The Government uses Timor-Leste eProcurement Portal to purchase and acquire goods, services and works. Computerization of tenders and procurement may make procurement more transparent and clearer to foreign investors.

The decree Law sets out the procurement processes which must be carried out by government officers when purchasing goods, services or works on behalf of the Government of Timor-Leste.

The Ministry of Finance has also developed a series of guides outlining the process and required documentation.

Intellectual Property Timor-Leste is not party to major international agreements on intellectual property rights and does not have any domestic legislation protecting such rights.

Since 2002, Intellectual Property protection has been done in the form of 'Cautionary Notices'. This is effective while there is no intellectual property department in Timor Leste. Those notices are legal during two years and while there is no intellectual property office the same must be republished every two years.

After the independence, there was a

period where IP assets could be extended from their Indonesian counterparts in order to protect them in the Timorese territory, by means of a re-registration. This is no longer valid. Local authorities, in the form of the Ministry for Tourism, Commerce and Industry, are currently preparing a plan for allowing temporary registries, but there is nothing official as of yet.

The cautionary notice is, by default, a quarter page of an East Timor official newspaper, published in English and Portuguese. The only requirements are a specimen of the mark, details of the proprietor, a list of the goods/services per class, and a signed power of attorney.

Review of the current and future policies and innovation programs in the mineral and natural resources sectors

Land ownership No resources found.

Natural resources Under Timor-Leste's Constitution the State is entitled to all natural resources that exist in the soil and subsoil of Timor-Leste, including petroleum.

The Government of Timor-Leste is seeking to use its oil revenues in support of long-term economic development, economic diversification and poverty reduction.

Foreign investments in natural oil and gas, minerals, wholesaling, and retailing fall outside the scope of the Private Investment Law and are handled through different mechanisms.

However, the development of the country's mineral wealth has been frozen, not due to lack of industry interest, but instead due to lack of a modern regulatory framework.

In 2002, the Government of Timor-Leste ceased applying the Indonesian mining regulatory framework previously in force, and licensing of new mining activities stopped. The Ministerial Diploma came into force on 30 July 2008, approving rules on the licensing of extractive activities for construction and industrial purposes.

In 2012, the Decree-Law created The Institute of Petroleum and Geology, which is the public institute responsible for archiving, producing, managing, storing and disseminating geological data, including that respecting to mineral resources. It is expected that the data collected and managed by IPG will provide the basis for the prospecting, exploration and production of mineral resources in Timor-Leste's onshore and offshore areas.

However, the major changes that have occurred in Timor-Leste's social, political and economic landscape over the last decade created a strong drive for an overhaul of the country's mining framework, which the Government acknowledged when it decided to prepare a draft Mining Code aimed at developing an economically viable mining sector, while at the same time promoting responsible risk management and human development.

10.16 Tonga

The new draft Mining Code specifically sets forth positive discrimination in favour of local contractors (if technically qualified and economically competitive) and local manpower (with thresholds that vary depending on the stage of the activities).

One aspect that is expected to attract foreign investors is the Government of Timor-Leste's strong commitment to the Extractive Industries Transparency Initiative ("EITI"). Indeed, the Government has dedicated significant resources to ensure transparency across the natural resources sector. The Initiative is aimed at improving natural resources' governance and fostering accountability of powerful institutions, such as governments and companies.

On 13 July 2011, it released a Strategic Development Plan, which provides a framework for development for 2011-2030.

In order to manage and supervise the exploration, development and production of these resources, Timor-Leste has enacted the Petroleum Activities Law and the Petroleum Mining Code in the Joint Petroleum Development Area.

The Government also created National Petroleum Authority which is responsible for the regulation, contracting, supervision and control of the economic activities related to petroleum and of the petroleum operations in the upstream sector. Its goal is to manage the country's minimum strategic fuel stock requirements and to ensure minimum quality standards for petroleum products available in the domestic market and minimum standards of compliance with consumers security.

The government also set up a sovereign Petroleum Fund to ensure the sustainable use of its revenues over the long term. Under the terms of the *Timor Sea Treaty*, Timor-Leste receives 90 % of the revenue from the Joint Petroleum Development Area.

Deep sea mining	No resources found
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Renewable energy	No resources found.
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Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
Investment	<p>In 2014, Tonga has approved an overhaul of its business license legislation, aimed at improving private sector growth through licensing entities rather than activities. As a further stimulus to economic growth and private sector development, Tonga plans to establish a Trade and Investment Board to coordinate key aspects of national investment policy.</p>	<p>These actions facilitate investment planning and reduce compliance and administrative burdens.</p> <p>New legislation may formalize and increase visibility of some economic activities active in the mineral and natural resources sector, despite the fact that they are very few.</p>
	<p>In 2014, the Government launched an online business registry today, providing up-to-date information on Tongan companies and businesses to the public 24 hours-a-day, 7 days-a-week.</p> <p>The new website, www.businessregistries.gov.to, allows users to file and access company records, business names and business licenses all from the one integrated resource, from wherever there is internet access.</p>	<p>Tonga made starting a business easier by implementing an electronic system at the registry, which reduced the time required for verification of the uniqueness of the company name and for registration of the company. This ease of access helps to ensure a more efficient, transparent and convenient service to businesses and may therefore have a positive impact on investment. However, the costs for the name search, company registration and business license increased.</p>
	<p>In March 2016, the World Bank approved US\$2 million in concessional financing to support the country's efforts to create a more inclusive, dynamic and resilient economy through targeted and well-planned policy reform.</p>	<p>This operation will certainly increase stability and transparency for businesses, as well as support innovation.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>The First Inclusive Growth Development Policy Operation is the first in a series of three development policy operations (DPOs). It will assist the Government of Tonga in delivering reform to support fiscal resilience through strengthened budgetary policies; promote inclusiveness and government accountability through new public procurement regulations, improved government audit responses and a new regulatory framework in the ICT sector; and foster a more dynamic and inclusive economy by adopting investor-friendly foreign investment legislation, extending coverage of the credit bureau and encouraging more private sector participation in public enterprises.</p>	
	<p>The Ministry of Labor, Commerce and Industries (MLCI) administers Tonga’s foreign investment policy and regulations. Foreign invested businesses must obtain and hold valid foreign investment registration certificates. Certificates are valid until the business terminates activity. If a business does not commence activity within a year after a certificate is issued, the certificate becomes invalid.</p> <p>After obtaining a foreign investment certificate, an investor must apply for a business license. The application, which must be accompanied by a valid foreign</p>	<p>This initiative should result in reduced license costs for businesses with more than one business activity. However, information are not available on the Internet to know if this initiative was adopted.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>investment registration certificate, can be made to the Business Licensing Officer at the MLCI.</p> <p>In November 2011, the government announced an initiative to reduce the license costs for businesses with more than one business activity that apply for license renewals before the end of 2011. Conditions apply to ensure the health and safety of the public is protected.</p> <p>The MLCI also processes company registrations. A foreign company that wishes to do business in Tonga must apply for incorporation under the Companies Act of 1995. The applicant must first reserve the company name at a cost of about US \$30. The fee to register is about US \$300. For a company to qualify as a “Tongan company,” the majority of shareholders must be Tongan. Partnerships and sole proprietors need not register but must have a valid business license.</p>	
	<p>The government has designated areas for small industry development, known as Small Industry Centers, on the two island areas of Tongatapu and Vava’u. Foreign investors are prohibited from doing business in certain sectors. Foreign investment legislation contains a list of 13 business activities reserved solely for</p>	<p>Incentives will certainly have a positive impact on investment and innovation but maybe not in the mineral and natural resources sector.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>Tongans and a separate list of business activities open to foreign investors under restricted conditions. Activities not identified on either list are open without restriction to foreign investors.</p> <p>Although the Foreign Investment Act specifies activities reserved for local businesses and included a list of these activities, the government allows full ownership by a foreign investor in cases where manufacturing activities use imported raw materials for export, or where the investments are too large for local investors. Projects are considered on an individual basis. The government generally encourages joint ventures.</p> <p>Both foreigners and domestic investors have equal rights for incorporating/establishing entities. Both foreigners and domestic investors have equal rights for incorporating/establishing entities.</p> <p>Investment incentives include:</p> <ul style="list-style-type: none"> -- Guaranteed long-term space and land leasing in the Small Industries Center, a 12-acre industrial estate, located about one kilometer from the center of Nuku'alofa; -- Residential and work visas for foreign investors and their families for as long as the enterprise is in operation; 	

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>-- Priority for electricity, telephone, and water connections.</p> <p>Technical and promotional assistance from the MLCI is available to help prospective investors identify, evaluate and set up industries. Once a business license is obtained, the business can operate.</p>	
	<p>As a further support to private sector growth, Tonga is developing and plans to implement a wider reform program focused on lowering business costs, including:</p> <ul style="list-style-type: none"> -targeting key issues related to starting a business, obtaining credit, protecting investors and resolving insolvencies/bankruptcies; -deepening the modernization of the relevant electronic systems; -promoting and protecting fair competition within Tonga, including stronger protection of intellectual property and better border measures; -continuing support to institutions that provide support services and training to the private sector. <p>Tonga strengthened its secured transactions system by passing a new law that allows a general description of the</p>	<p>This comprehensive plan of action may decrease transaction costs, facilitate channeling of funding and encourage innovation across economic sectors. However, Tonga made transferring property more costly.</p> <p>Furthermore, those actions may help to formalize and increase visibility of some economic activities.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>obligation in the security agreement and gives secured creditors priority outside bankruptcy. Furthermore, Tonga improved access to credit information by establishing a private credit bureau.</p>	
	<p>The Government has formulated a Private Sector Development Strategy (PSDS) 2011-2014, which seek to create a vibrant private sector in partnership with Government for inclusive growth and sustainable development. Its purpose is to foster national development by maximizing impact of private sector activities. The Strategy identifies key elements to accelerate private sector growth.</p>	<p>The effects of the strategy are unknown.</p> <p>We may believe that it helped decrease transaction costs, facilitate channelling of funding and encourage innovation across economic sectors. However, Tonga made paying taxes more complicated for companies by introducing a superannuation levy and by reintroducing the annual fee for a business license.</p> <p>This plan may lead to larger companies and markets. Companies in the mineral and natural sectors might be created but they would be few.</p>
		<p>The prospect of deep sea mining is questionable, because deep sea minerals may not be economically viable and because exploration may have a strong impact on the environment and therefore on</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
		local populations who are heavily reliant on the ocean.
Trade	A number of documents outline Tonga's trade and development vision at the sector level, including the Private Sector Development Strategy, Investment Promotion Strategy, and Tourism Sector Roadmap.	It does appear that the intention is to support trade and rules for investment. This reduces uncertainty and secures ownership of outputs from innovation activities. Only the Seabed Minerals Act 2014 seems to mention the sustainable use of resources.
	<p>The Government established a National Growth Committee with six Sector Growth Committees (Agriculture, Tourism, Fisheries, Construction, Manufacturing and Commerce) to identify constraints, and find joint solutions and implement them within the framework of appropriate sector plans.</p> <p>A National Export Strategy (NES) was established for the years 2007-10. The short term vision of this strategy was for Tonga to be a leading Pacific nation in export growth, by creating a sustainable economic environment for exporting quality goods and services. The NES identified five main sectors (agriculture, fisheries, manufacturing, services and</p>	This is a comprehensive plan of action that may significantly decrease transaction costs, facilitate channeling of funding and encourage innovation across economic sectors but not in the mineral and natural resources one.

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>tourism) that would boost growth, especially through sharing of ideas, and initiating collaborative and concerted efforts between the private and public sectors. Currently the NES is being reviewed with a focus on goods. Trade in services will be addressed under the Tonga Investment Promotion Strategy and a Labour Export Strategy.</p>	
	<p>Other major developments have been:</p> <ul style="list-style-type: none"> -a review of the investment regime through the Foreign Investment Regulations 2006; -simplification and rationalization of the business licensing environment through the Business Licenses (Amendment) Act 2012 and a business license reform roadmap; -a review of public enterprises to decide which are essential and which are suitable for a more competitive environment or can be privatized; -anticipated implementation of HS 2012 for the tariff regime; -an on-going review of legislation in relation to shipping and civil aviation; -changes to Sanitary/Phytosanitary (SPS) processes; -implementation of the Customs Valuation 	<p>This comprehensive plan of action may significantly decrease transaction costs, facilitate channeling of funding and encourage innovation across economic sectors.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>Agreement;</p> <p>-implementation of Tonga's commitments under the TRIPS Agreement.</p>	
Training	<p>Tonga is a partner in the regional University of the South Pacific (USP) which has its main campus in Suva, Fiji and satellite campuses in other island countries. The USP campus at ‘Atele is the main provider of higher education in Tonga with some 1,400 students enrolled per semester for preliminary, foundation and degree courses, using the university’s distance-learning facilities.</p>	<p>If its size increases, this campus may lead to more investment and innovation in the country.</p>
	<p>In February 2016, Tongan government officials benefited from a four-day training at the Ministry of Finance and the National Emergency Management Office (NEMO). The goal was to allow them to better assess risks from natural disasters such as tropical cyclones and earthquakes under the assistance provided under the joint Pacific Catastrophe Risk Assessment and Financing Initiative (PCRAFI).</p>	<p>That will help government draw up risk reduction measures.</p>
Research and Development	<p>The Offshore Resource Assessment and Development program aims to assess Tonga’s utilized and unutilized offshore fisheries resources and to provide advice to executive management on the conservation of these resources with</p>	<p>Better information on the offshore sector will allow businesses to enjoy sustainability of this sector and might trigger the need to innovate.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>relation to fisheries management and development. The development and monitoring of ecological performance indicators with relation to Tonga's major offshore fisheries is to ensure sustainability of fishing activities and this is therefore an ongoing function of resource assessment and development.</p>	
Standards	<p>Tonga does not have a standards certification bureau and is not a subscribing member of International Organization for Standardization. Tonga has relatively few independent or semi-independent regulators as result of the country's small private sector.</p> <p>Tonga's principle economic standards and regulations span a wide range of sectors, including construction, aviation, food, education and environment. Most regulatory control is in the hands of ministries. Regulators include the National Reserve Bank of Tonga, the financial services regulator, the Companies Office of the Kingdom of Tonga which registers companies, the Ministry of Information and Communications and the Ministry of Agriculture, Forestry, Food and Fisheries.</p>	<p>Standards certification may not be reflective of internationally agreed references and it is possible that this situation will have an impact on investment and innovation.</p>
Procurement	<p>All Ministries, Departments and Agencies of the Government of Tonga are required</p>	

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>to undertake procurement in accordance with the Public Procurement Regulations 2010.</p>	
	<p>Through the First Inclusive Growth Development Policy Operation launched in March 2016, the World Bank will assist the Government of Tonga in promoting inclusiveness and government accountability through new public procurement regulations.</p>	<p>This operation will certainly increase stability and transparency in procurement procedures and therefore attract more investors.</p>
Intellectual Property	<p>Tonga has its own independent registration system for patents and trademarks.</p> <p>Two types of patent applications can be sought in Tonga. Tonga has its own independent registration system. Multi-class applications are permitted and it is possible to register both goods and service marks.</p> <p>Tonga notified its legislation to the WTO in 2009, which in turn was reviewed by the TRIPS Council in October 2009. Work continues with a view to acceding to the Patent Cooperation Treaty.</p> <p>The Ministry of Commerce, Tourism and Labor is currently developing a national strategy for the protection of intellectual property. An area of interest is the protection of traditional knowledge and</p>	<p>There appears to be a body of legislation that secures ownership of outputs from innovation activities. Those regulations are likely to have a positive effect on investment decisions.</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
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culture.

Review of the current and future policies and innovation programs in the mineral and natural resources sectors

Land ownership Land cannot be bought or sold in Tonga, but may be leased through formal lease arrangements. Leases are usually 50 years in duration, although the law permits terms up to 99 years.

Natural resources The Ministry of Lands, Survey and Natural Resources is responsible for managing all mineral and energy resources in Tonga. All mining and exploratory activities in Tonga are subject to the provisions laid out in the Minerals Act, which was most recently revised in 1988. Exploration licenses are required for any mining or exploratory activity on the islands under the Minerals Act, and granted on behalf of the monarch.

Tonga is not currently compliant with the Extractive Industry Transparency Initiative.

Deep sea mining There is currently no onshore mining in Tonga, but minerals have been found offshore, generating international interest. Exploratory mining licenses have been granted throughout the years to several international institutions including Bluewater Metals Pty Ltd and the Korean Oceanography Research Development Institute.

In 2008 Nautilus Minerals conducted a deep sea mineral resources exploration in Tonga, which led to the discovery of ten new seafloor sulphide systems, most of which are zinc dominated deposits. These findings are expected to result in new industrial development for Tonga.

In 2012, the International Seabed Authority and Tonga Offshore Mining, a subsidiary of Nautilus Minerals, signed a 15-year contract for the exploration of polymetallic mineral reserves in an area of the Clarion-Clipperton Fracture Zone in the Pacific Ocean.

In 2014, Tonga adopted the Seabed Minerals Act 2014 which establishes a regulatory system and designates a responsible Authority to license, monitor and manage the Kingdom's involvement with Seabed Mineral Activities. Its goal is to secure economic development of the Kingdom through the development of its Seabed Mineral sector.

Before any seabed mining can commence, the requirements of the Seabed Minerals Act must be followed. This includes a stringent vetting process by government of any new project proposals, and public consultation if mining is proposed. Environmental impact assessment and ongoing monitoring are legal requirements under the Act, and government is given enforcement powers in order to maintain compliance with required performance standards. The Act also highlights the importance placed by Tonga on the protection and preservation of the marine environment, recognizing the need to balance economic development for the people of Tonga against conservation of the biodiversity of the oceans.

The responsible Authority designated in the act is the Tonga Seabed Minerals Authority. Failures to abide by the authority can result in large fines. The Environment Management Act 2010 details the power of the Ministry of Environment to monitor and protect the environment including the water resources.

10.17 Tuvalu

Renewable energy No resources found.

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
Investment	<p>The Foreign Direct Investment Act 1996 (FDIA) legislates all foreign investments in Tuvalu. It seeks to provide a legal framework in Tuvalu to encourage, facilitate, consolidate and streamline FDI investment proposals and projects in order to stimulate growth, employment and productivity in the private sector, and to remove discriminatory impediments in Tuvalu.</p>	<p>The FDIA may facilitate investment and innovation by reducing transaction costs for activities such as labor hire and information collection.</p>
	<p>The Foreign Investment Facilitation Board (FIFB) oversees investment activities, under the auspices of the Ministry of Tourism, Trade and Commerce. Its roles include providing necessary information regarding investment opportunities in the country and considering application proposals. Applicants must also complete a Foreign Direct Investment Questionnaire detailing the size and nature of the project, its predicted costs and benefits, land requirements and other information needed to assess the investment</p>	<p>The FIFB facilitates innovation through reducing transaction costs by providing a gateway to foreign investors. The FIFB is likely to protect natural resources by setting limits or guidelines on land requirements.</p>

proposal.

Trade	<p>The Tuvalu National Chamber of Commerce (TNCC) was established in 1978 to serve the needs of businesses by working together and promoting an enabling business environment. TNCC has suffered from a lack of commitment by its members, with many withdrawing to establish the Private Sector Organization of Tuvalu (PSOT).</p>	<p>It is uncertain if the TNCC or PSOT affect innovation and investment decisions on a large scale.</p>
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<p>Tuvalu is a member of the Pacific Islands Forum and is a party to the Pacific Islands Countries Trade Agreement (PICTA) which involves a commitment to reduce and eliminate tariffs amongst the 14 Pacific Forum member countries. Tuvalu is also a member of the Pacific Area Closer Economic Relations (PACER) initiative which includes Australia and New Zealand in addition to the 14 Forum Island countries.</p>	<p>Regional cooperation may foster innovation.</p>
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Training	<p>The Tuvalu Maritime Training Institute (TMTI) provides training to approximately 120 marine cadets each year to provide them with the basic skills necessary for employment as seafarers on</p>	<p>The lack of training may have a negative impact on investment and therefore innovation.</p>
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merchant shipping. TMTI operates under the Tuvalu Maritime Training Institute Act 2000.

This seems to be the main training available in the country.

**Research
and
Development**

No resources found.

The lack of research and development may have a negative impact on investment and therefore innovation.

Standards

Tuvalu is not a member of the International Organization for Standardization and accordingly there is no national standards bureau. Despite this, there are several regulatory bodies and organizations which help govern business relations.

It is uncertain if existing regulatory bodies affect innovation and investment.

Procurement

The Tuvalu Central Procurement Unit (CPU), a newly established unit within the Ministry Of Finance, was established in late January 2014 by the Tuvalu Procurement Act 2013. The CPU provides procurement policy review and technical advice to all procuring entities within the Government of Tuvalu and to undertake all major procurement needs of the Government through its line ministries. It only has three staff and it recently established its website named as Tuvalu Procurement for ease access of public to bidding opportunities in the Government.

The existence of the CPU and of its website will certainly facilitate procurement. However, lack of staff might lead to long delays that might have a negative impact on investment and innovation.

**Intellectual
Property**

Tuvalu does not have its own independent registration system. Tuvaluan applications are based on a corresponding UK registration.

The owner of a UK patent (including an EP (UK) patent) can apply for registration of the UK patent in Tuvalu within three years of the date of grant of the UK patent.

Trade mark registration must be based on the corresponding United Kingdom registration which is simply re-registered in this jurisdiction. Multi-class applications are permitted.

Although trade mark legislation in Tuvalu does not provide for registration of service marks, the Registrar will register them if they are covered in the corresponding UK registration. As such, it is possible to register service marks, although they are not necessarily enforceable.

Copyright Ordinance: Tuvalu has limited copyright legislation and it adopts the application of parts of the Copyright Act 1956 of England, among others. The United Kingdom Designs Protection Ordinance (1978) provides for the protection of designs registered in the UK. UK designs registered under the Patents and Designs Act 1907 and 1919 of

Investors in the mineral and natural resources sector might be satisfied to obtain their patents in the United Kingdom where legislation is transparent and stable. Therefore, this legal situation might have a positive impact on innovation. However, companies and entrepreneurs may have compliance and administrative burdens given the separate and diffuse bodies of legislation.

the UK are therefore protected in Tuvalu.

Kiribati Registration of UK Patent Act Cap 87. (1977 Ed) is applicable in Tuvalu. This Ordinance aims to provide for the registration of letters patent granted in the United Kingdom. Because the Ordinance refers to the law of the UK on patents, United Kingdom Patents Act 1949 may also apply in Tuvalu. In Tuvalu, the sanction for copyright infringement is a fine

Review of the current and future policies and innovation programs in the mineral and natural resources sectors

Land ownership	No resources found.
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Natural resources	The possibility to use natural resources such as copra and the fact that these sources are limited due to slow growth of the trees may either lead to innovation or to a lack of interest of investors in this sector.
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Mineral resources	No resources found.
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Deep sea mining	No resources found.
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Renewable energy	<p>The Energy Department within the Ministry of Works and Energy is in charge of the development of Tuvalu's energy policy, the administration of renewable energy projects and regulation of the storage and sale of petroleum fuels.</p> <p>The Tuvalu National Energy Policy (TNEP), released in May 2009, targets a time frame of 15 years and focuses on areas including electricity, renewable energy and energy sector planning, co-ordination and management. It aims to promote the development of renewable energy resources such as solar, wind and biofuel to broaden the energy supply sources in Tuvalu.</p> <p>At present solar power is used on the island of Niulakita, which accounted for 3% of the Tuvalu Electricity Corporation's annual household consumption in 2009. Other potential renewable energy resources are coconut tree biomass and coconut oil.</p>
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	Tuvalu is a member of the Pacific Islands Energy Policy and Strategic Action Planning (PIEPSAP).
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10.18 Vanuatu

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
Investment	<p>The Vanuatu Investment Promotion Authority (VIPA) was established to encourage foreign investment with an open and transparent investment environment, with an emphasis on the tourism industry.</p>	<p>This Authority may change the business environment by increasing the availability of funds in Vanuatu. Market sizes may also increase, which would also incentivize innovation activities given the potentially larger number of customers.</p>
	<p>Vanuatu made starting a business easier by reducing the time required for company registration at the Vanuatu Financial Services Commission and issuing provisional licenses at the Department of Customs.</p> <p>The online business registry allows both Ni-Vanuatu and overseas investors to register a business, maintain its details, and pay fees online, reducing the average time for company registrations from more than 3 weeks to under 3 days.</p> <p>www.vfsc.vu</p>	<p>Those developments are very likely to improve investment and innovation. Furthermore, relatively low tax rates, relative ease in the issuance of construction permits and in resolving insolvency are also positive.</p> <p>Nevertheless, it is still difficult to start a business, to register property and the costs of import and export are high.</p>
	<p>The Vanuatu Commodities Marketing Board regulates the cocoa, copra and kava industries, setting commodity prices, issuing licenses and works with investors to develop industries based on Vanuatu's natural</p>	<p>Price controls may deter investment and innovation because of effects on profitability. However, the Board may facilitate research for investment decisions and reduce transaction costs. Innovation is therefore possible in the</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	commodities.	<p>sector of producing electricity with copra .</p> <p>Furthermore, Vanuatu made registering property easier by computerizing the land registry, and improved the quality of land administration by appointing a land ombudsman to deal with complaints relating to the land registry. Though not explicit, the Board may protect overexploitation of those resources through the licensing scheme.</p>
	The Department of Co-operatives and Ni-Vanuatu Business Development Services (DCNVBDS) provides training and management consultation for small businesses and manages a small-loan scheme for local businesses.	Depending on the scale of loans, the DCNVBDS may encourage the creation of larger companies and innovation. Vanuatu improved access to credit information by establishing a private credit bureau. It is uncertain if the increased availability of funds and incentives might lead to more investment in the mineral and natural resources sectors, which are capital intensive.
Trade	No resources found.	Lack of trade legislation certainly has a negative impact on investment and innovation.
Training	Vanuatu is a partner in the regional University of the South Pacific which has its main campus in Suva, Fiji and	Lack of trained people may hinder innovation if they are not trained overseas.

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	satellite campuses in other island countries.	
Research and Development	No resources found.	
Standards	The principal economic regulators in Vanuatu include the Financial Services Commission, the Telecommunication and Radio-communication Regulator (TRR), Utilities Regulatory Authority (URA), the Civil Aviation Authority (CAA), the Ports Authority and the Accreditation and Standards section of the National Tourism Development Office.	There appears to be a simplified standards framework that facilitates investment and innovation. However, it is uncertain how the standards affect the mineral and natural resources sector.
Procurement	No resources found.	
Intellectual Property	Vanuatu is a member of the World Intellectual Property Organization The first intellectual property legislation was introduced into Vanuatu in 2000 and by 2011; laws covering patents, trademarks, designs, copyright, geographical indications and circuit layouts were passed. Intellectual property legislation comprises the Designs Act No. 3 of 2003: Enforcement of IP and Related Laws, Industrial Designs, IP Regulatory Body; Patents Act No. 2	Intellectual property legislation appears comprehensive and likely to encourage investment and innovation. However, it should first come into force.

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p>of 2003: Enforcement of IP and Related Laws, IP Regulatory Body, Patents (Inventions); Trademarks Act (2003): Enforcement of IP and Related Laws, IP Regulatory Body, Trademarks; Circuits Layouts Act (2000): Enforcement of IP and Related Laws, IP Regulatory Body, Layout Designs of Integrated Circuits; Copyright and Related Rights Act (2000): Traditional Cultural Expressions, Traditional Knowledge (TK); Geographical Indications (Wine) Act (2000): this Law controls the use of false or misleading geographical indications for the origin of wine; Trade Secret Act (2000): Enforcement of IP and Related Laws, IP Regulatory Body, Undisclosed Information (Trade Secrets).</p> <p>The majority, with the exception of trademarks and designs, are yet to come into force.</p> <p>The filing of patent applications in Vanuatu is currently in a transitional phase. A Patents Act Bill has been passed in the Parliament in 2003. However, it has not yet been implemented. The new Act will likely remove re-registration of UK (EP) patents.</p>	

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	<p data-bbox="414 392 877 840">Following introduction of the new Trademarks Act in February 2011, trade mark registration in Vanuatu is now independent, that is, it is not based on a corresponding European Member State registration as was the case previously. Multi-class applications are permitted and service marks are registrable.</p> <p data-bbox="414 862 877 952">Vanuatu also enacted the Personal Property Securities Act 2008.</p>	

Review of the current and future policies and innovation programs in the mineral and natural resources sectors

Land ownership The Constitution provides that: “All land in the Republic belongs to the indigenous custom owners and their descendents” and, “only indigenous citizens of the Republic who have acquired their land in accordance with a recognized system of land tenure shall have perpetual ownership of their land” and, further that “the rules of custom shall form the basis of ownership and use of land....” The Land Reform Act 1980 provides for State land, vested in the Republic as “public land for the benefit of the people”. The Minister of Lands may declare land to be public land, but only after extensive consultation has taken place with customary owners and only with the advice of the Council of Ministers. Custom owners do not relinquish access to public land – they can plant annual crops on it and, with the consent of the Minister of Lands, erect buildings or otherwise use the land. Thus the Land Reform Act permits the Government to acquire land but not the interests in the land.

Lease normally provide for the use of sand, gravel and rock (traditional building materials) found on the land subject to a prohibition on the removal or live or dead coral and/or sand from any sea area adjacent to the leased land. Any developments on the foreshore (land below the mean high water mark and the seabed underlying Vanuatu’s territorial waters) or coast of any island in Vanuatu is subject to the consent of the Minister responsible for the Foreshore Development Act (1975).

Natural resources Copra is used to produce electricity. However, no resource is available on the Internet.

Mineral resources Vanuatu has significant mineral resources, including precious metals and manganese. However the lack of stable infrastructure has made it difficult to support a large mining industry. There was a small manganese mine on Efaté, which ceased operations in 1980. In 2006, local company Vanuatu Project Management Ltd signed a deal with the government of Vanuatu to export the considerable amount of remaining manganese from Efaté, although no further mining took place. Since this time there has been investment in improving the infrastructure for future manganese prospecting.

The Department of Geology, Mines and Water is responsible for the promotion and management of mineral resource exploration in Vanuatu. The Mines and Minerals section of the department ensures that any excavation is carried out in accordance with the Mines and Minerals Act of 1986, which requires the acquisition of the appropriate mining licenses and quarrying permits. This Act vests ownership of all minerals in Vanuatu in the Government although consultation and negotiation with custom land owners is required. The Act provides for the Minister of Lands and Natural Resources to make regulations relating to the prevention of pollution, minimizing waste of minerals, the use of water and water rights and the use of timber in association with mining.

As applies to coastal tourism developments, the Environment Unit has produced guidelines for environmental impact assessments in association with mining developments. These guidelines cover issues such as geology and soil conditions, hydrology, meteorology, land use issues, social issues and biological and ecosystem issues.

**Deep sea
mining**

In recent years research has been conducted to suggest that there is significant potential for deep-sea mining within Vanuatu's large exclusive economic zone. In early 2014 the government of Vanuatu hosted a regional workshop in collaboration with the European Commission's Social Protection Committee Pacific Deep Sea Minerals Project. Vanuatu's Minister for Land and Natural Resources said there needed to be wide consultation before any further steps were taken.

**Renewable
energy**

The Devils Point Wind Farm brings power to Port Villa and Luganville has a hydropower plant. There is considerable potential for developing geothermal, wind and hydropower in Vanuatu and various electricity development projects are funded by, among others, AusAID, the ADB, the EU, the government of Japan and the non-governmental organization Vanrepa, which focuses on rural wind energy projects.

Legislation, relating to the prospecting and exploitation of geothermal sources, is present in the form of the Geothermal Energy Act (1987).

Vanuatu is a member of the Pacific Islands Energy Policy and Strategic Action Planning (PIEPSAP).

10.19 Wallis and Futuna

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
Investment	<p>No resources found.</p> <p>The French Development Agency (AFD) is involved in Wallis and Futuna since 1964.</p> <p>AFD provides support for economic initiatives through:</p> <ul style="list-style-type: none"> -SOGEFOM to bring credit institutions an additional guarantee on the loans they grant. -ADIE to help the population through microcredits. 	<p>It is very unlikely that the AFD will support innovation in the mineral and natural resources sector.</p>
Trade	<p>There is a price controls Act 2013 but very few information on it are available.</p>	<p>Price controls may deter investment and innovation by affecting profitability.</p> <p>It is uncertain how price controls affect the use of natural resources.</p>
Training	<p>No university or training centers exist in Wallis and Futuna.</p> <p>The local population has to be trained in neighboring countries.</p>	<p>The lack of financial means makes it impossible to create a training center in the field of natural resources. Therefore, the impact of legislation in this sector is very weak.</p>
Research and Development	<p>Most institutes for research and development are based outside of Wallis and Futuna, mainly in New Caledonia.</p>	
Standards	<p>No resources found.</p>	
Procurement	<p>Ordinance No. 2015-899 of 23 July</p>	<p>It is unlikely to affect the mineral and</p>

Topic	Summary of current legislations and policies	Review of the potential effect of legislation on innovation in the mineral and natural resources sector
	2015 on public procurement	natural resources sector.
Intellectual Property	No resources found.	

Review of the current and future policies and innovation programs in the mineral and natural resources sectors

Land ownership No resources found.

Natural resources No resources found.

Mineral resources No resources found.

Deep sea mining The exclusive economic zone of Wallis and Futuna represents 266,000 km² or 2.61% of the French exclusive economic zone. Exploration campaigns conducted jointly since 2010 by the French Research Institute for Exploitation of the Sea (Ifremer), the Bureau of Geological and Mining Research (BRGM), Technip and Eramet have demonstrated the existence of mineral resources including in terms of rare earths.

The French president visited Wallis and Futuna in February 2016 and reaffirmed his will to explore and exploit deep sea minerals.

If legislation is modified, it may attract international mining companies which might innovate in the deep sea mining sector.

However, the prospect of deep sea mining is questionable, because deep sea minerals may not be economically viable and because exploration may have a strong impact on the environment and therefore on local populations who are heavily reliant on the ocean.

If the feasibility of their operations has yet to be economically and technologically proven, it will be possible through a reform of the mining code, rigorous guarantees of respect for the environment and biodiversity.

Sialéo the company, whose sole shareholder is the French company Eramet, filed in 2013 an exclusive license to massive sulphides, with an area of 169,792 km², on the Exclusive Economic Zone of Wallis and Futuna.

After examination, it turns out that the State has jurisdiction over licensing mining and opening works on the exclusive economic zone and the continental shelf.

However, the implementing regulations of the French Mining Code concerning securities and mining operations and the decrees implementing Law No. 68-1181 of 30.12.1968 on exploration of the continental shelf and exploitation of its natural resources which are necessary to conduct the investigation procedure does not make explicit reference to Wallis and Futuna.

If this legislation is extended, it might attract international mining companies wanting to explore and exploit deep sea minerals and therefore to innovate in this unknown field.

However, the prospect of deep sea mining is questionable, because deep sea minerals may not be economically viable and because exploration may have a strong impact on the environment and therefore on local populations who are heavily reliant on the ocean. Customary chiefs are reluctant to see deep sea mining happen in Wallis and Futuna.

This situation leads to a legal vacuum. This is why it has been proposed to extend the scope of the mentioned regulations in Wallis and Futuna. This extension will have the effect of fixing the legal system applicable to the award of mining rights and opening procedure on ground work, territorial waters, the exclusive economic zone and the continental shelf.

There will be the extension of established law, without changing any other provisions and without interference with the mining code reform underway. Addressing a legal vacuum, it will not include transitional measures.

From the information available on the internet, it seems that this project has not been carried out yet.

Renewable energy

In 2014, the Secretariat of the Pacific Community trained one person in the field of energy and one person in the field of deep sea minerals.

Innovation might arise only with the support of France and of international and regional organizations.

11. Summary

This section summarizes the findings for each country in which we consider the potential impact of legislations reported in this document.

Cook Islands: the impact of legislation is moderate. The country is trying to be a leader in the field of deep sea mining and has adopted legislation towards this goal. The review shows however significant gaps in procurement legislation which would hinder even more the desired impact on innovation.

Federated States of Micronesia (FSM): the impact of legislation is weak to moderate. FSM shows significant progress on legislation on investment and intellectual property, but legal uncertainty seems to reign over other fields.

Fiji: the impact of legislation is moderate to strong. Fiji has made significant progress on developing modern bodies of legislation to promote innovation. However, the post-cyclone situation and a lack of transparency might have an impact on innovation.

French Polynesia: the impact of legislation is moderate. Very few or no information have been found on investment, trade or procurement. The economic crisis in French Polynesia makes the need for innovation more pressing. Developing renewable energy systems and innovations in this sector might be a good way for the country to open to new markets, apart from tourism and pearls.

Kiribati: the impact of legislation is weak to moderate. Though Kiribati has advanced legislation on investment, trade and standards, no resources were found on training, research and development and procurement. Despite a lack of mining legislation, the government is proactive in the field of deep sea mining. Nevertheless, discretionary power on investment rules would weaken the impact of legislation in this and the other fields of interest.

Marshall Islands: the impact of legislation is weak. Though the government adopted legislation on investment, trade and intellectual property, there is a lack of enforcement and an absence of laws in other fields of interests. For example, uncertainty on the protection of intellectual property rights from innovation may weaken existing legislation and deter investment activities.

Nauru: the impact of legislation is non-existent to very weak. No resources were found on training and research and development. Moreover, legislation on standards may not be pertinent given other existing priorities and challenges for economic development in Nauru. Furthermore, the government now wants to legislate on deep sea mining and has adopted a law towards this goal. However, after the badly managed exploitation of phosphate, this trend might not attract as much investment as expected.

New Caledonia: the impact of legislation is moderate to strong. New Caledonia has advanced significant bodies of legislation in all fields. It is an open research question to track the progress and impact initiatives such as Promosud, Sofinor or the Marine Park of the Coral Sea concerning deep sea mining.

Niue: the impact of legislation is weak. Legislation exists only on investment, trade and intellectual property. Bureaucratic or rent seeking behavior have been reported to create uncertainty on investment and innovation activities.

Palau: the impact of legislation is moderate. Legislation has been advanced on investment, trade, procurement and intellectual property but no regulation is available on training, research and development and standards. Moreover, Palau acknowledges discretionary bureaucratic power as a source of discouragement of investment and innovation.

Papua New Guinea (PNG): the impact of legislation is moderate to strong. PNG has made significant progress on legislation related to investment and innovation. The government is also a leader in the field of deep sea mining with the world's first operating license. Nevertheless, no resources were found on training, which may weaken the desired impact.

Pitcairn: Very few resources were found on the fields of interest.

Samoa: the impact of legislation is moderate to strong. Samoa has made significant progress on legislation related to innovation. However, a lack of transparency and law enforcement may weaken the desired impact.

Solomon Islands: the impact of legislation is moderate. Though Solomon Islands made significant progress on legislation related to innovation, no resources were found on training and research and development, which may weaken the desired impact.

Timor Leste: the impact of legislation is very weak. The lack of legislation certainly slows down innovation.

Tonga: the impact of legislation is weak to moderate. Through its strategic action plan, the government has made significant progress on legislation related to innovation. It even adopted legislation on deep sea mining. However, the effects of this plan are not yet known.

Tuvalu: the impact of legislation is weak to moderate. Tuvalu has advanced some legislation related to innovation, but lack of proper training, standards and procurement may have a negative impact on innovation.

Vanuatu: the impact of legislation is weak to moderate. Vanuatu has advanced some legislation related to innovation and this shows a positive step. However, no resources were found on research and development and procurement, which may weaken even more the desired impact.

Wallis and Futuna: the impact of legislation on innovation is weak. The main impact might come from a specific legislation on deep sea mining.

12. Conclusions

This report presents a review of the legislation of Pacific Islands Countries which can affect innovation activities

Legislation on investment and innovation is heterogeneous across countries. The availability of particular bodies of legislation (e.g. R&D, procurement) is tied to the existence of large economic sectors, which tend to press governments and parliaments to set proper institutions or public guidelines. This is for example the case of Fiji, Papua New Guinea and New Caledonia, which are located near large markets, have sectors that are more developed and dynamic and mainly based on natural resources. This in turn appears to have strongly influenced the legislation, which has developed to optimize the exploitation of those resources.

To promote innovation, a country requires a number of bodies of legislation on the fields identified in this report as relevant. Mutual leverage across these fields supports inputs for a strong impact on innovation. This is why a comparative assessment of the legislations of the Pacific Islands Countries is pertinent.

Niue, Timor Leste, Pitcairn and Wallis and Futuna show severe limitations on the existence of legislation across all fields. Thus, no impact may be identified on innovation. This inexistence of legislation is related to development issues that have prevented these countries to boost economic growth, for example, because of their insularity, isolation, and other socio-political issues such as civil wars. Consequently, innovation has not been a priority for development and policy-making. Thus, it is important to take into account that promoting innovation and sustainable investment may need to be a staged process, after the development of strong economic foundations in these countries.

On the other hand, Fiji, New Caledonia, Papua New Guinea and Samoa have made significant progress on legislations that promote investment and innovation. Though a deep analysis of the adequacy of the legislation should be on a case-by-case basis, these countries have succeeded on advancing important bodies of legislation on all the fields of interest identified in this report.

Finally, for countries such as the Federated States of Micronesia, Kiribati, Marshall Islands, Palau, Solomon Islands, Tonga, Tuvalu, and Vanuatu, though they have advance some bodies of legislation in certain areas, there are significant gaps (mainly on training, procurement, research and development and intellectual property) that may weaken the expected positive impact on innovation.

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14. Review of Legislation in the Pacific Region Affecting Innovation and Exploitation of Biodiversity

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15. Summary

Project and Client

This report was compiled for the PACE-Net Plus project, which is coordinated by the Institut de recherche pour le développement (IRD), and funded by the European Commission Framework 7 programme.

Objectives

For countries in the Pacific Region:

Review how legislation regulating investment, trade, training, research and development, intellectual property protection, standards, public procurement may impact on the use of natural resources and innovation in that country.

Collect information concerning current policies and potential future innovation programs related to exploring the potential economic benefits that can be developed from the rich biodiversity of the countries in the region, while at the same time ensuring preservation of the environment.

Methods

The Review was conducted in two stages:

A search of legislation and policies available on the Internet for countries in the Pacific Region. The search strategy consisted of reviewing publicly-available reports published by the World Trade Organization, US Department of State and the World Intellectual Property Organization. Google searches for several query combinations were also implemented. This was not a comprehensive review of all available information sources and some sources may have been omitted involuntarily. The aim of the review was to provide an introductory summary on the main bodies of legislation, as an input for policy discussion and a stepping-stone for entrepreneurs interested in investing in the Pacific.

A review of the potential effects of legislation on innovation and economic development using biodiversity resources. The review was based on the economic opinion expressed by the authors and other sources identified during the Internet search.

Results

Legislation is highly heterogeneous across the countries in the Pacific. Important bodies of legislation exist in those countries with larger economies, whereas legislation for the more isolated countries is almost non-existent.

Conclusions

The availability of particular bodies of legislation (e.g. R&D, procurement) for a particular country is linked to the existence of large economic sectors within that country. These sectors are more likely to press governments and parliaments to set proper institutions or public guidelines. Thus, for territories such as Pitcairn and Wallis and Futuna, which lack large economic infrastructure, there was limited availability of any type of legislation. On the other hand, economies such as Fiji, Papua New Guinea and New Caledonia, because of their proximity to large markets have developed and dynamic sectors, mainly based on natural resources. As a result, there has evolved a need for legislation to optimize economic use of biodiversity and environmental resources.

Many countries in the Pacific have not been able to boost economic growth because of their insularity, isolation, and socio-political issues, e.g. civil wars. Consequently, innovation has not been a priority for development and policy-making. For these countries, it is important to take into account that promoting innovation and sustainable investment may need to occur in stages, after economic foundations have been properly established.

16. Introduction

Regulation is one of the activities that governments can engage in that can exert a profound impact on the level and direction of innovation, both in specific sectors and in the economy as a whole.¹ While economically advanced countries work at the technology frontier, developing countries face challenges to tap into global knowledge and technology for dissemination in their domestic context. Innovation depends significantly on overall conditions in the economy, governance, education and infrastructure. Such framework conditions are particularly problematic in the Pacific countries, but experience shows that innovation policies help to create an environment for broader reforms.² However, the assessment of the ultimate impact of regulation on innovation is empirical, on a case-by-case basis, and depends on the balance between innovation-inducing and innovation-constraining factors, which include compliance costs generated by regulation.¹⁻³

Prior to proposing policy measures to improve innovation activity in the Pacific, a clear picture of all current policies, instruments and measures employed to favour innovation is needed. Policies that may affect innovation can be found in different domains (fiscal policies, investment policies, trade policies, intellectual property protection, standards, public procurement, training, research and development programs), and at different administrative levels (administrative, regulatory or other bureaucratic constraints). The purposes of this Review, within the context of Objective 1 of Task 4.4 of the PACE-Net Plus project *Description of Work* (DoW), are as follows:

Task 1: Review how the legislation regulating investment, trade, training, research and development, intellectual property protection, standards, public procurement may impact on the economic benefit from the use of natural resources and innovation.

Task 2: Collect relevant information on current policies and potential future innovation programs relating to use of the rich biodiversity of the countries in the region, while at the same time ensuring preservation of their unique environments.

Section 2 of this report describes the search strategy for the desk-based research, Section 3 presents the results, and Section 4 outlines the conclusions.

17. Methodology

This review was conducted in two stages:

1. A search of legislation and policies available on the Internet for countries in the Pacific Region. The search strategy consisted of reviewing publicly-available reports published by the World Trade Organization, US Department of State and the World Intellectual Property Organization. Google searches for several query combinations were also implemented. This was not a comprehensive review of all available information sources and some sources may have been omitted involuntarily. The aim of the review was to provide an introductory summary on the main bodies of legislation, as an input for policy discussion and a stepping-stone for entrepreneurs interested in investing in the Pacific.
2. A review of the potential effects of legislation on innovation and economic development using biodiversity resources. The review was based on the economic opinion expressed by the authors and other sources identified during the Internet search.

In many cases, it was not possible to separate current legislation from potential innovation or biodiversity programs as they were often interrelated or enacted in combination. Thus, I have presented my analysis of Tasks 1 and 2 in a single framework. In Section 3, for each country listing *Review 1* provides an overview of the potential effect of legislation on innovation and investment (Task 1), and *Review 2* provides an overview of the potential effect on economic use of biodiversity (Task 2).

For the review, I assumed that the most common precondition for regulation is the existence of a situation in which market forces, by themselves, do not lead to a socially optimal result.¹ The interaction between regulation and innovation is complex, multifaceted, and often ambiguous, and assessing the impact of a given piece of regulation is an empirical, case-by-case exercise. As an economist, I have provided an educated opinion based on to the following premises:

General regulations affecting the expected costs and benefits of innovative activity by altering the business environment

Innovation-specific rules affecting incentives to innovate

Sector-specific regulations affecting innovation.

My review is based on the *ceteris paribus* principle, that is, I intend to identify obvious and direct effects between pieces of legislation and innovation and economic use of biodiversity. I

acknowledge numerous factors may play a part in this relationship, but a full assessment of all such factors is outside the scope of this report.

18. Review by country

Overview

It was evident that information existed only for the larger economies of the Pacific such as Samoa, New Caledonia and Fiji; whereas for smaller economies, such as Wallis-et-Futuna, Niue, Pitcairn, very few resources could be found. Since none of the PACE-Net Plus project partners from the Pacific Region were able to provide information, this Review is based solely on my own efforts. Michele di Maio (personal communication, 13 January 2016), representing the project partner UNIDO (lead for Task 4.4), confirmed that the focus of the Review was on the effects of legislation on innovation and economic use of biodiversity resources, and not intended to be an empirical exercise, but rather an educated opinion as an economist.

18.1 Cook Islands

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
Investment	No resources found		
Trade	No resources found		
Training	No resources found		
Research and Development	No resources found		
Standards	No resources found		
Procurement	Public procurement in the Cook Islands is governed by Section 63 of the Ministry of Finance and Economic Management (MFEM) Act 1995- 96, which empowers MFEM to issue instructions to ministries and line agencies to ensure compliance with financial disciplines, and the Cook Islands Government Financial Policies and Procedures Manual (CIGFPPM).	The CIGFPPM contains sections relating to procurement, but it has gaps as well as some bad practice provisions and is in need of a major overhaul. Standard procurement documents do not exist, and ministries and state owned enterprises (SOEs) develop their own. Procurement planning is poor to non-existent and ministries and SOEs do not produce and publish annual procurement plans. This situation has	It is uncertain how these deficiencies affect economic use of biodiversity. There may be rent seeking and overexploitation, but more research would be needed to answer this question.

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
		<p>a number of negative impacts such as contributing to budget underspends, the inability to undertake bulk procurements, and unrealistic timeframes for submission of tenders. There are numerous cases of poor procurement practice, including use of inappropriate evaluation criteria, changing evaluation criteria mid-stream in the evaluation process, allowing an evaluation team member with a conflict of interest to serve on the evaluation committee, no debriefings for unsuccessful tenderers, etc. Compliance with procedures or lack thereof is a problem, including splitting of procurements to avoid open tender thresholds and the use of non-</p>	

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p data-bbox="422 750 710 1993">On 25 October 2011, the Cook Islands Government published its Roadmap to improve the Public Financial Management Systems by June 2015. For procurement, it proposes the establishment of a centralised database of approved public tenders and approved tender waivers, review of the CIGFPPM to improve tender procedures by incorporating good practice (including the publication of successful tender awards in the local media as well as on the MFEM website), public complaints to be addressed by the Office</p>	<p data-bbox="742 414 1029 694">competitive procurement methods. The exact extent to which these occur is unknown due to a lack of reliable data.⁴</p> <p data-bbox="742 750 1029 1086">It is uncertain if the Roadmap significantly changed the business environment and had a positive effect on innovation and investment.</p>	<p data-bbox="1061 750 1364 929">It is uncertain how the Roadmap affects economic use of biodiversity.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>of the Ombudsman, and a review of the entire procurement system and formal procedures for complaints and dispute resolution.⁴</p>		
Intellectual Property	No resources found.		

18.2 East Timor

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
Investment	Timor-Leste improved the business registration process and created a ‘one-stop shop’, increasing the speed and ease with which a business can be started. ⁵ Furthermore, Timor-Leste improved its credit information system by establishing a public credit registry.	Compliance burdens may be reduced and innovation may be encouraged. Other institutional factors may need to be considered for a full assessment as information resources were scarce.	It is uncertain the potential effects on biodiversity resources.
Trade	No resources found.		
Training	No resources found.		
Research and Development	No resources found.		
Standards	No resources found.		
Procurement	No resources found.		
Intellectual Property	No resources found.		

18.3 Federated States of Micronesia (FSM)

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
Investment	<p>The individual states of the FSM regulate all foreign investment directly, except in the areas of deep ocean fishing, banking, insurance, air travel, and international shipping, which are regulated at the federal level. FSM uses a traffic light system to regulate businesses, with red for prohibited, amber for restricted, and green for unrestricted. Industry classifications in this system vary from state to state. Thus, a venture planning to operate in more than one state must obtain separate permits in each, and often follow different regulations as well. Some industries have been given a national classification:⁶</p>	<p>Having separate bodies of legislation increases transaction costs, and compliance and administrative burdens. This separation deters investment as contradictory decisions may occur between local decision makers. Furthermore, restricting activities in a number of areas reduces funds availability and discourages innovation.</p>	<p>It is likely that separate legislation hampers proper monitoring of activities affecting biodiversity.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<ul style="list-style-type: none"> <li data-bbox="422 481 750 716">• National Red: Arms manufacture, minting of currency, nuclear power, radioactive goods. <li data-bbox="422 750 750 1041">• National Amber: Increased scrutiny before approval for non-traditional banking services and insurance. <li data-bbox="422 1075 750 1265">• National Green: Banking, fishing, air transport, international shipping. 	<p data-bbox="774 1310 1069 1646">Lack of public coordination increases uncertainty around the country's capability to adequately receive and manage significant investment.</p>	<p data-bbox="1093 1310 1364 1601">Separate legislation and institutional frameworks may hamper proper monitoring of activities affecting biodiversity.</p>
	<p data-bbox="422 1310 750 1892">There is no government agency tasked with developing an industrial strategy. However the 2023 Planning Committee, organized by the president, made recommendations for growth in all sectors, but without substantive measures to realize those goals.⁶</p>		

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
Trade	Competition Law: There is no law or agency governing competition in the FSM. ⁶	Lack of a competition law increases uncertainty around the country's capability to adequately receive and manage significant investment.	Lack of market power regulation may allow excessive exploitation of biodiversity.
Training	No resources found.		
Research and Development	No resources found.		
Standards	No resources found.		
Procurement	No resources found.		
Intellectual Property	Intellectual Property (IP) is nominally protected. The FSM is a member state of the World Intellectual Property Organization (WIPO). Code of the Federated States of Micronesia - Copyright, Patents & Trademarks (2003): copyright protection subsists in original works of authorship fixed in any tangible medium of expression from which	On-site research is needed to assess the extent of the uncertainty around IP protection rights.	It is uncertain if IP laws in the FSM will affect economic use of biodiversity.

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>they can be perceived, reproduced, or otherwise communicated, either directly or with the aid of a device. Works of authorship include the following categories: (i) literary works; (ii) musical works; (iii) dramatic works; (iv) pantomimes and choreographic works; (v) pictorial, graphic, and sculptural works; (vi) motion pictures and other audiovisual works; and, (vii) sound recordings. U.S. corporations have taken out legal ads in the local paper to protect their trademarks, but the enforcement of IP has not been tested yet.^{6,7}</p>		

18.4 Fiji

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
Investment	<p>The Foreign Investment Act (FIA) and the 2009 Foreign Investment Regulation regulate foreign investment in Fiji. All businesses with a foreign-investment component in their ownership are required to register and obtain a Foreign Investment Registration Certificate (FIRC) from Investment Fiji. Investment Fiji is responsible for the promotion, regulation, and control of foreign investment in the interest of national development⁽⁸⁾.</p>	<p>Registration may increase compliance and administrative burdens, but this may be negligible depending on the size of the investment. However, Fiji has increased the difficulty of starting a business by adding a requirement to obtain a tax identification number, and by requiring new companies to apply for a business license to obtain a certificate from the national fire authority and a letter of compliance from the Ministry of Labour.⁽⁹⁾</p>	<p>Registration may formalize and increase the visibility of some economic activities, providing an instrument to track company actions that might harm biodiversity – provided current biodiversity protection laws exist.</p>
	<p>The government is developing an Investment Approval Tracking System (IATS) to enable online applications for an FIRC. Investors are also required to obtain the necessary permits and licenses from other</p>	<p>Though an online system may speed up the registration, sources reveal that transaction costs in the form of delays may occur. It is questionable if monetization of these costs would reveal</p>	<p>Online applications may formalize and increase the visibility of some economic activities, providing an instrument to track company actions that might harm biodiversity – provided</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	relevant authorities and should be prepared for delays. ⁽⁸⁾	anything significant, and would depend on the size of investment.	current biodiversity protection laws exists.
	Investors are required to meet the requirements listed under the FIA and the 2009 Foreign Investment Regulation, as well as ensure the investment activity is not under the Reserved and Restricted Activities list. ⁽⁸⁾	Restrictions on activities affect the availability of funds from FDI. Innovation may be hampered in these areas because Fijian nationals may not have the resources to invest or innovate. Some flexibility may exist through joint ventures, which would encourage small-scale innovation. However, Fiji increased the difficulty around transferring property by requiring the parties to obtain a capital gains tax clearance certificate from the Fiji Revenue and Customs Authority. ⁽⁹⁾	Restrictions on activities may protect biodiversity and genetic resources, but this is debatable, especially if activities outside the law still occur.
	In 2013, the government amended the Foreign Investment Decree with provisions to permit the forfeiture of foreign investments as well as	There is increased uncertainty for investment activities because of the operational aspects of this amendment. Political	The Decree may provide conditions for the exploitation of biodiversity, thus control of unsustainable activities

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>significant fines for breaches in compliance of foreign investment registration conditions.⁽⁸⁾</p>	<p>reasons may spur an initiative to forfeit investments; in the medium-run this amendment may deter FDI and other innovation activities.</p>	<p>may be limited.</p>
	<p>The Fiji Islands Trade and Investment Bureau (FTIB) is mandated to promote, stimulate and facilitate trade and investment in Fiji under the Foreign Investment Act (2004), as well as registering foreign direct investment (FDI). Fiji has liberalized and rationalized its foreign investment regime and some of the major reforms include:</p> <ul style="list-style-type: none"> <li data-bbox="422 1574 730 1960">• The amendment of the Foreign Investment Act (1999) in 2004 to make the FTIB a registration agency and not just an investment approval 	<p>The existence of this Bureau may facilitate gathering information on and identifying resource or investment-related research. Fiji decreased the cost of taxes for companies by reducing the profit tax rate. At the same time, Fiji introduced capital gains tax and made paying taxes more complicated for companies by transferring the fringe benefit tax liability from employees to employers, and by limiting the deductibility of mandatory contributions.⁽⁹⁾</p>	<p>Facilitating trade and investment may formalize and increase the visibility of some economic activities, providing an instrument to track company actions that may harm biodiversity.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	agency. ⁽⁸⁾		
	<p>In 2013, the government amended the Foreign Investment Decree with provisions to permit the forfeiture of foreign investments as well as significant fines for breaches in compliance of foreign investment registration conditions.⁽⁸⁾</p>	<p>This institutional framework deters investment innovation because of high transaction costs (e.g. informal payments to bureaucrats, impact of political agendas), increased uncertainty regarding the rule of law, and the discretionary nature of policy decisions.</p>	<p>Bureaucratic discretion creates the possibility that activities harming biodiversity may occur as no clear mandate for law enforcement appears to exist.</p>
	<p>Bankruptcy arrangements, a major factor determining the ease of closing businesses, are deficient. It takes on average 1.8 years to close a business, and costs some 38% of the estate in fees. Creditor recovery rates are low (20.2% of debt).⁽⁸⁾</p>	<p>With bankruptcy arrangements unavailable, exit strategies in case an investment is not successful cannot exist, and significant transaction costs on reverting investment decisions may occur. These issues are incorporated into investment planning and deter entrepreneurs from entering the Fiji</p>	<p>It is uncertain if unavailability of bankruptcy arrangements deters exploitation of biodiversity resources.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p data-bbox="419 495 738 1032">In 2006, the Ministry of Public Enterprises formulated a comprehensive programme of Reorganising, Restructuring, Corporatizing and Privatizing state owned enterprises to accelerate divestment.⁽⁸⁾</p>	<p data-bbox="754 409 1074 685">economy.</p> <p data-bbox="754 495 1074 685">It is unclear if there was an influx of funds and if a privatisation considered foreign participants.</p>	<p data-bbox="1090 495 1364 887">Allowing private firms into previously state-controlled areas may direct conservation efforts toward market-related incentives, and thus increase pressure on biodiversity.</p>
Trade	<p data-bbox="419 1077 738 1973">Fiji's consumer protection and competition law, the Fair Trading Decree 1992, was amended extensively in 1998; intellectual property rights, state-owned entities, and trade unions are exempt of the amendment process. Following the Commerce Act passed in 1998, to regulate access to services, the Commerce Commission became responsible for administering the competition provisions of</p>	<p data-bbox="754 1077 1074 1525">Some uncertainty may be reduced as institutions exist for regulation. However, Fiji made trading easier by opening up access to customer care service centres and improving customs operations.⁽⁹⁾</p>	<p data-bbox="1090 1077 1364 1570">It is uncertain if regulations exist for trade in goods based on biodiversity resources. Activities outside the law may occur as no clear mandate for law enforcement appears to exist.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	the Fair Trading Decree. ⁽¹⁰⁾		
	The Fair Trading Decree (Amendment) Act 2005 gave the Commission greater investigatory powers. The Department of Fair Trading and Consumer Affairs still administers legislation on consumer protection, including provisions on mock auctions, door-to-door sales, consumer conditions and warranties, information and safety, enforcement, and remedies. ⁽¹⁰⁾	Some uncertainty may be reduced as institutions exist for regulation in a number of economic areas.	It is uncertain if these regulations also apply to trade in goods based on biodiversity resources. Activities outside the law may occur as no clear mandate for law enforcement appears to exist.
	The Fiji Commerce Commission (FCC), established under the 2010 Commerce Commission Decree, regulates monopolies, promotes competition, and controls prices of selected hardware, basic food items, and utilities, in order to ensure a fair, competitive, and	Some uncertainty may be reduced as institutions exist for regulation, however, regulation of competition is a sensitive issue as political agendas may deter innovation and investment.	It is uncertain if these regulations also apply to trade in goods based on biodiversity resources. Activities outside the law may occur as no clear mandate for law enforcement appears to exist.

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>equitable market.⁽¹⁰⁾</p> <hr/> <p>The Government adopted an Import Substitution Plan in 2008 to promote food security and exports. The key agricultural exports include sugar, fruits and vegetables, and kava. Very generous incentives were introduced during the 2009 budget to promote investments in agriculture.⁽¹⁰⁾</p>	<p>Import substitution is a sensitive issue. Many examples exist worldwide where this strategy has not been successful. Though the government may provide funding, funds from foreign parties would encourage further entrepreneurship.</p>	<p>Increased availability of funds may add further pressure on biodiversity resources through increased exploitation, or pressure on ecosystems from more profitable activities such as agriculture.</p>
	<p>The Government established the Committee on Better Utilization of Land as a consultative and advisory forum aimed at reducing the amount of idle agricultural land, and to improve both the landowners and tenants' welfare.⁽¹⁰⁾</p>	<p>Reducing the amount of idle agricultural land is a sensitive issue as land left 'idle' may be for reasons such as fallow or reversion to forestry. This deters investment as the government may intervene and forfeit private property.</p>	<p>It is likely that reducing the amount of idle agricultural land may add further pressure on biodiversity resources through increased exploitation or utilization of the land for more profitable activities such as agriculture.</p>
	<p>The Government is restructuring the sugar industry into a</p>	<p>This restructure may motivate innovation in the area and along the</p>	<p>Intensification of sugar land may add further pressure on land</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>commercially viable, efficient and sustainable industry. The Sugar Research Institute was established in 2005 to promote technical advancement, efficiency and productivity in the sugar industry.⁽¹⁰⁾</p>	<p>production chain. However, it is not clear if externalities of production may impact non-sugar activities.</p>	<p>resources unless improvements on productivity also occur.</p>
	<p>Tariffs are the major trade policy tool used by Fiji to control imports. However, other non-tariff measures such as import licences, internal taxes and regulations apply to imports as well.⁽¹⁰⁾</p>	<p>Tariffs applied to resources needed for investment and innovation may raise costs.</p>	<p>It is uncertain if import measures affect exploitation of biodiversity.</p>
	<p>The Customs Act 1986 and the Customs Regulations 1986 have been amended to facilitate trade. Computerization has been extended to allow shipping manifests to be submitted and processed electronically, and most brokers and traders operate on-line to process documents unless</p>	<p>This Act would facilitate transactions and reduce compliance and administrative burdens. However, this is the end of the line for a proper innovation-friendly environment, thus we do not expect significant effects on innovation activities.</p>	<p>This regulation may formalize and increase visibility of some economic activities, providing an instrument to track company actions that harm biodiversity.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>profiled for customs checks.⁽¹⁰⁾</p>		
	<p>The Government provides a wide range of export assistance in order to increase investment in exporting activities. The Government is also working on ensuring that all its incentives, including the concessionary finance facilities administered by the Reserve Bank of Fiji to assist exporters, namely the Export Finance Facility (EFF) and the Export Credit Ratio (ECR), are consistent with WTO rules.⁽¹⁰⁾</p>	<p>Government assistance may crowd out private funding and the development of the financial system. However, this assistance may spur innovation in areas that would not have access to bank loans.</p>	<p>Increased availability of funds may add further pressure on biodiversity resources through increased exploitation or utilization for more profitable activities such as agriculture.</p>
	<p>In 2004, the Commerce Commission was established as an independent institution from the Ministry of Commerce and is now responsible for administering the competition provisions</p>	<p>Price controls may deter investment and innovation because of effects on profitability.</p>	<p>Restrictions on activities may limit exploitation of biodiversity resources, though that impact will be lessened if activities occur outside law.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>on restrictive business practices and mergers. Fiji maintains extensive price controls, which are administered by the Prices and Incomes Board (Counter Inflation Act 1973), but the Government plans to review the merits of price controls with a view to promoting private sector development and competition.⁽¹⁰⁾</p>		
	<p>The 2008 Budget reduced the permitted mark-up by importers, wholesalers, and retailers on all basic food items.⁽¹⁰⁾</p>	<p>This intervention on private activities affects profitability, and may deter investment and innovation.</p>	<p>It is uncertain if the reduced mark-ups mitigate pressure on biodiversity given reduced profitability on agriculture.</p>
	<p>The Government's recently adopted National Export Strategy has identified certain priority sectors for export growth: forestry, agri-business, marine products, audio-visual, ICT, and mineral. The objective is to increase</p>	<p>The level of foreign investment participation or innovation in these areas is unclear. However, public assistance may fund parties that would not have access to private banking.</p>	<p>Increased availability of funds and incentives to exports may add further pressure on biodiversity resources through increased exploitation or utilization of land for more profitable activities such as</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>exports of goods and services to at least 65% of GDP (threefold increase).⁽¹⁰⁾</p>		<p>agriculture or logging.</p>
	<p>Counter-Inflation Act (2003): Section 4 regulates the maximum wholesale and retail prices for Medicines-Patent.⁽⁷⁾</p>	<p>Price controls may deter investment and innovation because of reduced profitability.</p>	<p>It is uncertain if price regulation for medicines-patents affect the exploitation of biodiversity.</p>
Training	<p>No resources found.</p>		
Research and Development	<p>Foreign firms may participate in government financed or subsidized research as well as development programs, as technical and in-country capacities is limited. However, as such programs are usually financed by foreign development partners and donors, any conditions and limitations may be dependent on the source of project financing.⁽⁸⁾</p>	<p>This may increase innovation in the areas where research is focussed. Depending on the research area, production externalities may arise.</p>	<p>It is unclear if publicly-funded research has promoted the sustainable use of biodiversity resources.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
Standards	<p>Fiji is a member of various organisations that deal with standards and technical requirements, and uses international standards in order to facilitate trade. Reforms in the Department of Quarantine and Inspection Services started in January 2005, the recommendations for reforming the Department were adopted in 2006 and a Charter Administration Committee (CAC) was formed in 2007 to oversee their implementation. The main objective of the reform was to replace the Department with a statutory Bio-Security Authority of the Fiji Islands by 2008, to be created under a Bio-Security Act that would merge the Plant Quarantine and Animal Importation Acts.⁽⁸⁾</p>	<p>Standardization with international references may facilitate trade and reduce administrative and compliance burdens.</p>	<p>It appears the standards set references for products based on biodiversity, but it is unclear if the standards are stringent enough to encourage sustainable use.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>Fiji is a member of the Codex Alimentarius Commission, the Pacific Area Standards Congress (PASC), and became a full member of the International Organization for Standardization (ISO) from 2006. It is not a member of the International Electrotechnical Commission (IEC). The Fiji Trade Standards and Quality Control Office (FTSQCO), a government department within the Ministry of Commerce, Business Development and Investment, administers standards on goods and services (Trade Standards and Quality Control Decree 1992). It aims to ensure that Fiji's manufactured and exported products and services are of an acceptable standard by</p>	<p>Standardization with international references facilitates trade and reduces administrative and compliance burdens.</p>	<p>It appears the standards include guidelines for products based on biodiversity resources; however, it is unclear if the standards are stringent enough to encourage sustainable use.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>aligning them to international and other national standards (especially Australia and New Zealand).⁽⁸⁾</p>		
	<p>Fiji's plant protection legislation covers mandatory quality control of exported plant products. Imported plants and their products may require permits, including an Import Risk Analysis; off-shore treatment measures; inspection arrangements, including post-security after-treatment and certification; and certification.⁽⁸⁾</p>	<p>Standardization with international references facilitates trade and reduces administrative and compliance burdens.</p>	<p>It appears the standards include guidelines for products based on biodiversity resources; however, it is unclear if the standards are stringent enough to encourage sustainable use.</p>
Procurement	<p>The Ministry of Finance is responsible for formulating Government procurement procedures and agencies must meet the regulations in the Finance Act, 2005. The main objective is to improve the efficiency of government procurement</p>	<p>This new management initiative may bring flexibility for procurement processes and broaden the participation of potential investors. Thus, it may be expected that innovation would be tied to the greater availability</p>	<p>It is uncertain if this new procurement scheme affects the exploitation of biodiversity.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>and to reduce corrupt practices. The Government planned to introduce a new financial management initiative on government procurement in 2008 and to establish an Independent Procurement Agency. Reforms in government procurement are also implemented to streamline in particular the bureaucratic approval processes, which are often barriers to the timely implementation of development projects.⁽¹¹⁾</p>	<p>of funding.</p>	
Intellectual Property	<p>The Copyright Act of 1999, Trademarks Act of 1933, Patents Act of 2003, Merchandise Marks Act of 1933, Industry Emblem Act of 1973, and the United Kingdom Designs Protection Act of 1936 operate to protect the intellectual property rights of creators in</p>	<p>The existence of legislation around IP reduces uncertainty in ownership of rights derived from innovation.</p>	<p>It is uncertain if legislation also covers innovation based on biodiversity.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
Fiji. ⁽¹²⁾	<p>The National Intellectual Property Strategy of December 2011 aims to ensure the establishment of an IP system linked as directly as possible to the pace and characteristics of social development and economic growth. The strategy has implemented three key components: to initiate IP policies and legislative reforms; to modernize the administration of IP, and to strengthen the capacity for enforcement and regulation.⁽¹²⁾</p>	<p>The existence of legislation around IP reduces uncertainty in ownership of rights derived from innovation.</p>	<p>It is uncertain if the IP system is based on promoting sustainable use of biodiversity.</p>
	<p>Copyright laws adhere to international laws, and while there are provisions for companies to register a trademark or petition for a patent in Fiji through the Office of the Attorney General, trademark and patent laws are outdated. The Patent Act, the Trade</p>	<p>The existence of legislation around IP reduces uncertainty in ownership of rights derived from innovation. However, if no proper enforcement occurs the positive effects of legislation will not be considered in investment planning.</p>	<p>It is uncertain if the IP system is based on promoting sustainable use of biodiversity.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>Marks Act (1978), the Merchandise Marks Act, and the Copyright Act (1999) were fully in force since 2000 and the copyright and patents laws have been to improve compliance with international commitments.⁽⁸⁾ The enforcement of these laws remains inadequate.⁽⁸⁾</p>		
	<p>Arbitration Act (1965): This law makes provisions for arbitration in respect of civil matters, which are also applicable in intellectual property related lawsuits.⁽⁷⁾</p>	<p>This may be a further attempt to resolve investment-related discrepancies, but it is unlikely to significantly affect investment or innovation decisions.</p>	<p>It is uncertain if arbitration in civil matters affects exploitation of biodiversity.</p>

18.5 Kiribati

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
Investment	<p>Foreign investment in Kiribati is encouraged and no discrimination is shown between foreign and local investors. The Kiribati Foreign Investment Commission (FIC) is a statutory commission established under the Foreign Investment Act 1985. In its role as an investment promotion agency, the Foreign Investment Promotion Division can provide services to investors. Investments that may conflict with established domestic enterprises or impact on the use by nationals of lands or natural resources are dealt with on a case-by-case basis.⁽¹³⁾</p>	<p>The availability of the FIC decreases transaction costs on investment research. Investment on lands or natural resources is subject to compliance and administrative burdens. It is not clear the extent of discretionary power from the administration. Moreover, Kiribati made paying taxes more complicated for companies by introducing VAT.⁽¹⁴⁾</p>	<p>Provided effective evaluation of activities on land and natural resources, exploitation of biodiversity may be on the grounds of sustainability and protection. However, it is not clear the extent of discretionary power from the administration.</p>
Trade	<p>There are no restrictions on items for export; however, for marine products an export licence from the Fisheries Division of the</p>	<p>Larger export markets may increase profitability and have positive effects on investment and</p>	<p>Larger export markets may increase pressure on biodiversity through increased exploitation or substitution to more</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>Ministry of Natural Resources Development is required. Import duties are relatively low and exemptions might be provided for investment project items.⁽¹³⁾</p>	<p>innovation.</p>	<p>profitable activities (e.g. agriculture).</p>
Training	<p>No resources found.</p>		
Research and Development	<p>No resources found.</p>		
Standards	<p>Kiribati has no standards organisation, and is not a member of the ISO. Major regulators in the country include the Ministry of Finance and Economic Planning for the financial sector, Telecommunications Authority of Kiribati for the telecoms sector, the Public Utilities Board for infrastructure, Foreign Investment Commission for all FDI proposals, and the Lands Management Division of the Ministry of Home Affairs and Rural</p>	<p>There may be increases in compliance costs as investors will rely on national standards determined by each regulator.</p>	<p>Unavailability of standards may imply overexploitation of biodiversity, though this is unclear and requires further investigation.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	Development regarding the purchasing of land. ⁽¹³⁾		
Procurement	No resources found.		
Intellectual Property	Kiribati has limited copyright legislation, adopting the application of parts of the Copyright Act 1956 of England. Copyright Ordinance 1917 has little relevance, but it is the only law in Kiribati that recognises copyright in this jurisdiction. In Kiribati the sanction for copyright infringements is a fine. ⁽¹³⁾	There appears to be a weak IP protection framework, which introduces uncertainty for investment decisions and innovation.	It is uncertain how the IP framework affects exploitation of biodiversity.
	There has been no trade mark legislation enacted in Kiribati. The only trademark legislation that exists in Kiribati is the Registration of United Kingdom Trademarks. The Registration of UK Patents Ordinance, codified in 1977, aims to provide for the registration of patents granted in the United Kingdom. The legislation	There is a slight advantage over other countries for registration of patents, however it is uncertain if this has a positive effect on investment and innovation.	It is uncertain how the IP framework affects exploitation of biodiversity.

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>does not define what a patent is or what is patentable. Compared to other island pacific countries like Fiji and Nauru, in Kiribati, the formalities for registration of a patent are much simpler.⁽¹³⁾</p>		

18.6 Marshall Islands

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
Investment	<p>Foreign investment is governed through the Foreign Investment Business License (Amendment Act 2000), which established the Registrar of Foreign Investment and details restrictions on foreign investments. Marshall Islands has a responsive judiciary that consistently upholds the sanctity of contracts. Although the Marshall Islands generally encourages foreign investment, the Foreign Investment Business License established a Natural Reserved List, which restricts foreign investment in the following: (i) Small scale agriculture and marine culture; (ii) Bakeries and pastry shops; (iii) Motor garages and fuel filling stations; (iv) Land Taxi Operations; (v) Rental of</p>	<p>The environment appears friendly for foreign investment, however restrictions in certain areas may reduce availability of funds and deter innovation. Furthermore, access to credit has been improved through a new law on secured transactions that establishes a central collateral registry, broadens the range of assets that can be used as collateral, allows a general description of debts, obligations and assets granted as collateral, and establishes clear priority rules outside bankruptcy for secured creditors.⁽¹⁶⁾</p>	<p>It is uncertain if the restricted list affects biodiversity, and use of biodiversity resources is not explicitly mentioned as a restricted activity.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	all types of motor vehicles; (vi) Small retail shops; (vii) Laundromat and dry cleaning; (viii) Tailor/sewing shop; (ix) Video rental; (x) Handicraft shop; (xi) Delicatessen; and, (xii) Deli Shop, or Food take-out. ⁽¹⁵⁾		
Trade	Consumer Protection Act (2004) stipulates unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade of commerce. ⁽⁷⁾	Limits on unfair methods of competition are likely to encourage innovation and investment; however, it is not clear if proper enforcement takes place.	It is uncertain if limits on unfair methods of competition affect the use of biodiversity. On the contrary, if proper law enforcement does not take place, there might be further pressure on these resources.
	Export Meat Inspection Act (2004) provides for the regulation of the export of meat and meat products in the Republic and for matters connected therewith. ⁽⁷⁾	Regulations may affect decisions around innovation and investment because of the discretionary nature of bureaucratic decisions.	It is uncertain the effects on the use of biodiversity.
Training	No resources found.		

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
Research and Development	No resources found.		
Standards	No resources found.		
Procurement	No resources found.		
Intellectual Property	<p>The Marshall Islands is not a member of the World Trade Organization, the World Intellectual Property Organization (WIPO), or any other international agreement on intellectual property rights. Legislation that is in place: Unfair Business Practices Act (2004) about competition, and enforcement of IP; Business Corporations Act (2004), which mentions that a corporate name must not to be the same as, or so similar as to confuse or deceive, an existing name on the indices of names maintained by the Registrar of</p>	<p>It appears that IP rights from innovation are not protected, which may deter all investment activities.</p>	<p>It is uncertain if current IP legislation will protect biodiversity from excessive exploitation.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>Corporations; and Unauthorized Copies of Recorded Materials Act (1991). There is inadequate protection for intellectual property, patents, copyrights, and trademarks. The only intellectual property-related legislation relates to locally produced music recordings.^(7,15)</p>		

18.7 Nauru

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
Investment	No resources found.		
Trade	No resources found.		
Training	No resources found.		
Research and Development	No resources found.		
Standards	<p>Given the undeveloped private sector in Nauru, there are no regulatory institutions outside government departments such as the Ministry of Telecommunications and Ministry of Finance, and the national agency Nauru's Marine and Fisheries Resources Authority. Nauru is not a member of the International Organisation for Standardisation so there is no national standards bureau.⁽¹³⁾</p>	<p>It is uncertain if the lack of standards affects investment and innovation given other existing priorities and challenges for economic development in Nauru (e.g. waste management, water, energy).</p>	<p>A lack of standards may lead to the overexploitation of biodiversity and a negative impact on the environment in general. This has occurred in Nauru in the past (e.g. extraction of phosphate).</p>
Procurement	No resources found.		
Intellectual	<p>Patents Registration Act 1973: it describes fully the</p>	<p>There is a basis for an IP framework to be</p>	<p>There is no IP framework specifically</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
Property	<p>invention in respect of which application is made in the country of principal registration for grant of a patent and the method by which it is to be performed; discloses the best method of performing that invention which is known to the applicant and for which he claims to be entitled to protection; and ends with a claim or claims defining the scope of that invention.⁽¹³⁾</p>	<p>established, however, it is uncertain how this affects innovation and investment.</p>	<p>for biodiversity, which may lead to overexploitation of these resources and a negative impact on the environment. This has occurred in Nauru in the past (e.g. extraction of phosphate).</p>

18.8 New Caledonia

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
Investment	<p>Since 1990, provinces have their own defined legal framework (deliberations, environmental codes) and have instituted their own financial incentive schemes for the development of private forests and aid for the timber industry. The forestry company SAEM mixed economy "South Forest" was created in the Southern Province in 2012 and seeks to infuse a dynamic to the whole of the sector in partnership with the provincial government.⁽¹⁷⁾</p>	<p>Effects on innovation may be ambiguous. Different rules in each region may increase compliance and administrative burdens. Also, it is uncertain if the creation of SAEM will increase fund availability for start-ups or crowd out private funding.</p>	<p>Biodiversity appears to be protected by the Codes in each province, and limits on its exploitation may be in place. There appears to be a framework for Companies to invest in biodiversity resources.</p>
	<p>Deliberation n° 43-2011 of the South Province defines the regime for financial incentives for firms, particularly for projects that allow the development or maintenance of activities in the fields of agriculture, livestock, forestry and aquaculture. The aims regard: (i)</p>	<p>Financial incentives may increase availability of funding for innovating firms across several themes and economic activities.</p>	<p>While increasing the availability of funds may add pressure on biodiversity, incentives to develop sustainable use of biodiversity appear to be in place.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>improving the quality of products and their production; (ii) lowering production costs of products and their disposal; (iii) support for an industry whose market is unbalanced; (iv) promoting to processing or export production; (v) water management in coastal areas; (vi) maintenance of facilities and certified plantations to protect the riverbanks; and, (vii) extension of new techniques.⁽¹⁸⁾</p>		
	<p>Deliberation n° 43-2011 of the South Province: the province can support the investments that companies make to strengthen or improve their activity in the development of innovative projects. Eligible investment interests include seeking advice, skills, training or external services. Support for innovation is examined and approved when the</p>	<p>This deliberation mitigates uncertainty as it clearly states that innovation is in the interest of the South Province. The incentives may increase availability of funding for innovating firms across several themes and economic activities.</p>	<p>While increasing the availability of funds may add pressure on biodiversity, incentives to develop sustainable use of biodiversity appear to be in place.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>service instructor noted the effective commissioning of the facilities. Aid is fixed by a special act of accreditation and can only be allocated once for the same project.⁽¹⁸⁾</p>		
	<p>PROMOSUD: Its priority is to invest in sectors in which it is harder for the private sector to get involved because they are capital intensive.⁽¹⁹⁾</p>	<p>PROMOSUD may increase availability of funding in those sectors, create new market niches and is unlikely to crowd out private initiatives. This will also encourage innovation by reducing transaction costs on investment setup.</p>	<p>The increased availability of funds may add pressure on biodiversity resources through environmental impact from an increase in more profitable activities such as agriculture.</p>
	<p>SOFINOR: its aim is to promote economic development in the North Province and in areas related to agriculture, fisheries/aquaculture, logging and business activities on native land. In addition, these investment activities need to involve the local population or local interests.</p>	<p>It is not clear if funding will be provided, but SOFINOR may reduce compliance and administrative burdens for research prior to investment in innovation and other issues related to Foreign Direct Investment (FDI).</p>	<p>The increased availability of funds may add pressure on biodiversity resources through environmental impact from an increase in more profitable activities such as agriculture.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	SODIL: its aim is on economic development in the Loyalty Islands and investments across transportation, fisheries, hospitality, social housing and food production.	It is not clear if funding will be provided, but SODIL may reduce compliance and administrative burdens for research prior to investment in innovation and other issues related to FDI.	The increased availability of funds may add pressure on biodiversity resources through environmental impact from an increase in more profitable activities such as agriculture.
Trade	Company law and Code de commerce	There exists legislation on investment, but it is uncertain if there is an overall effect on innovation.	It is uncertain if the Codes explicitly refer to biodiversity resources and their exploitation.
Training	No resources found.		
Research and Development	The IRD Noumea Centre is the main location of the Institute de recherche pour le développement (IRD) in French overseas territories. Research targets issues linked to insularity and global change: (i) Environment and resources; (ii) Societies and territories; and, (iii) Health and environment. ⁽²⁰⁾	This Centre may reduce the costs of innovation as resources for entrepreneurs will exist in New Caledonia, which would reduce the need for international assistance.	Research from this Centre may provide guidelines for the sustainable exploitation of biodiversity and genetic resources.

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>Pôle de Recherche, d'Enseignement Supérieur et d'Innovation Calédonien (PRESICA): This scheme results from collaboration between Université de la Nouvelle-Calédonie (UNC), Institut Agronomique Calédonien (IAC), Institut Français de Recherche pour l'Exploitation de la Mer (IFREMER), IRD, Bureau de Recherche Géologique et Minier (BRGM) and Institut Pasteur de Nouvelle-Calédonie (IPNC). In terms of objectives, PRECICA develops a strategy at the service of the political will of public authorities in New Caledonia. The goal is to build a public centre for research, higher education, transfer and leading innovation, consistent with the missions and specificities of each of its members, which is visible and</p>	<p>This Centre may reduce the costs of innovation as resources for entrepreneurs will exist in New Caledonia, which would reduce the need for international assistance. Incentives for innovate may increase as costs of innovation are reduced as a result of knowledge transfer through PRESICA.</p>	<p>PRESICA research may provide guidelines for the sustainable exploitation of biodiversity and genetic resources. It is uncertain if specific effects on use of biodiversity have occurred.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	attractive at the regional and international level.		
	<p>Strategic Orientation Committee for Research and Innovation: the main objective is to achieve a framework for rapid implementation of a policy of innovation in New Caledonia. This Committee discusses the main influences on the development of the territorial framework for higher education and research.⁽²¹⁾</p>	<p>It is not clear if recommendations of this Committee are binding, but it may generate knowledge and information for entrepreneurs and reduce transaction costs when researching in investment in New Caledonia.</p>	<p>This committee may channel research to economic areas in order to implement guidelines for the sustainable use of biodiversity and genetic resources.</p>
	<p>Cooperation Consortium for Research, Higher Education and Innovation in New Caledonia (CRESICA): it aims to strengthen inter-institutional partnerships, improve integration of research in territorial public policies, bring together different actors around common large projects and interest in New Caledonia, pool</p>	<p>CRESICA may encourage FDI and innovation by expanding knowledge networks across institutions. This may imply reductions in transaction costs to set up companies and innovation activities.</p>	<p>Research from PRESICA may provide guidelines for the sustainable use of biodiversity and genetic resources. It is uncertain if specific effects on biodiversity use have occurred.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>resources for the acquisition of equipment and thus meet the criteria of international excellence.⁽²²⁾</p>		
	<p>New Caledonian Economic Development Agency (ADECAL): in 2011 ADECAL was tasked with further assignments in innovation, technology transfer and training that involved setting up the New Caledonian innovation and technology park (Technopole). The objective is to contribute to New Caledonia's sustainable and socially responsible development as the interface between researchers and the private sector. The park aims to support New Caledonian business with innovation and technology transfer to make it more competitive. It is also expected to back innovative new projects or industries in predefined</p>	<p>ADECAL may encourage FDI and innovation by expanding knowledge networks across institutions. This may imply reductions in transaction costs to set up companies and innovation activities. This Agency may reduce the costs of innovation as resources for entrepreneurs will exist in New Caledonia, which would reduce the need for international assistance.</p>	<p>While the increased availability of funds may add pressure on biodiversity resources, ADECAL explicitly mentions that investment should be sustainable and socially responsible. It is undetermined if the actions of ADECAL have promoted the sustainable use of biodiversity.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	sectors. ⁽²³⁾		
	<p>In 2014, a Business Incubator was created to support innovative companies or concepts. The incubator seeks to identify projects both within public research and industry and services. It matches potential opportunities from public research with local industries or individual project developers.^(23,24)</p>	<p>This Incubator may increase funding availability to private sectors undertaking innovation activities.</p>	<p>The increased availability of funds may add pressure on biodiversity resources by increasing exploitation or through environmental impact from an increase in more profitable activities such as agriculture or logging.</p>
	<p>In the South Province, foreign companies cannot get clearance to harvest genetic resources without the consent of a research institution in New Caledonia.⁽²⁵⁾ The South Province Code includes new provisions, implementing the Convention on Biological Diversity, dealing with the harvesting and exploitation of biological, genetic and biochemical resources.⁽²⁶⁾</p>	<p>Depending on the stringency of clearance requests, this would discourage innovation in activities, but would control exploitation of biodiversity in general.</p>	<p>There is a clear mandate to protect biodiversity and genetic resources.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
Standards	No resources found		
Procurement	Deliberation No. 02/1989: the aim of this deliberation is the regulation of administrative contracts of any kind placed on behalf of New Caledonia. ⁽²⁷⁾	Procurement legislation exists, but it is uncertain if there is an overall effect on innovation.	It is uncertain if the Deliberation explicitly refers to biodiversity resources and their exploitation.
Intellectual Property	Deliberation No. 02/1989: it guarantees respect to the confidentiality of proposals and dialogue, as well as intellectual property and know-how in all their forms, including financial and contractual innovations. ⁽²⁷⁾	If proper implementation and enforcement occurs, this Deliberation would greatly reduce uncertainty about profits and returns on innovation. Thus, further investment and innovation would be encouraged.	Ownership of products developed from biodiversity and genetic resources is unclear. Ambiguities may discourage use of these resources.

18.9 Niue

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
Investment	Development Investment Act 1992: a foreign enterprise needs to register before it can carry out business on Niue. ⁽¹³⁾	Registration may increase compliance costs of investment but it may be negligible.	Registration may formalize and increase the visibility of some economic activities, providing an instrument to track company actions that might harm biodiversity.
	Investment Code: Guarantees to foreign enterprises that there shall be no compulsory acquisition or expropriation of the property of any enterprise in Niue except: (i) in accordance with due process of law; and (ii) For a public purpose defined by law; (iii) For payment of compensation in a manner prescribed by law. ⁽¹³⁾	This Code allows for long-term investment and innovation given the protection of property rights explicitly mentioned. It is undetermined if bureaucratic or rent seeking behaviour is significant, leading to exceptions in the Code which may be used for expropriation.	The increased availability of funds, through the likely increase of companies, may add pressure on biodiversity resources due to increased exploitation or through environmental impact from an increase in more profitable activities (e.g. agriculture).
Trade	Income Tax Act 1961: it describes exemptions in respect of industries	Tax exceptions may have a positive effect on investment and	It is uncertain if tax exceptions are significant for

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	contribution to economic development. ⁽¹³⁾	innovation; however, empirical evidence is required to determine whether or not this occurs.	companies that operate using biodiversity resources.
Training	No resources found.		
Research and Development	No resources found.		
Standards	No resources found.		
Procurement	No resources found.		
Intellectual Property	The legal texts are not yet complete. Niue is member of the WIPO convention only. ⁽¹³⁾	It is uncertain how the Intellectual Property (IP) framework affects investment and innovation.	It is uncertain how the IP framework affects use of biodiversity.

18.10 Palau

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
Investment	<p>The 2011 Foreign Investment Act provides approval-process guidance for foreign investment, and the Foreign Investment Regulations reserves some businesses for Palauan citizens, including: (i) wholesale or retail sale of goods; (ii) all land and water transportation; (iii) travel and tour agencies; (iv), and commercial fishing. Other sectors are semi-restricted, requiring a Palauan partner, though no fixed percent of ownership is required.⁽²⁸⁾</p>	<p>Restrictions of activities in a number of areas may reduce availability of funds, and inhibit or dissuade innovation.</p>	<p>Restrictions on activities may limit the use of biodiversity on a large scale.</p>
	<p>The 1991 Foreign Investment Act provides approval-process guidance for foreign investment. In late 2010 the Government of Palau revised its implementing regulations, changing several key requirements in a bid to encourage</p>	<p>It is undetermined if the revisions encouraged investment and innovation. However, Palau made enforcing contracts easier by introducing an electronic filing system for court users.⁽²⁹⁾</p>	<p>It is uncertain if the regulations affected the use of biodiversity.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>more foreign investment.⁽²⁸⁾</p>	<p>Unavailability of funds may discourage innovation if other private sources of funding do not exist in the country. However, Palau strengthened its secured transactions system through a new law that establishes a centralized collateral registry, broadens the range of assets that can be used as collateral to include future assets, allows a general description in the security agreement of debts and obligations as well as assets pledged as collateral, establishes clear priority rules outside bankruptcy for secured creditors and allows out-of-court enforcement of the collateral.⁽²⁹⁾</p>	<p>It is likely no large-scale effects on biodiversity may occur, this does not preclude small-scale exploitation will have significant effects in the long run.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
Trade	Palau made trading across borders easier by improving the system for calculating customs duties and thereby reducing customs clearance time. ⁽²⁹⁾	This facilitation may have a positive effect on investment, but it is unclear if the effects will spill over to innovation activities.	This may increase pressure on biodiversity because of increased foreign demand for products based on these resources.
Training	No resources found.		
Research and Development	No resources found.		
Standards	No resources found.		
Procurement	Procurement Law and Regulations govern the procurement of goods and services by the government, its agencies, and departments. In addition, as Palau receives various grants from the United States, these grants contain conditions requiring compliance with U.S. procurement regulations. ⁽³⁰⁾	Compliance with US regulations reduces compliance and administrative burdens. It may be expected that investment and innovation are encouraged.	It is uncertain if procurement law affects use of biodiversity.
	Palau adopted a Code of Ethics Act prohibiting, criminalizing, and	It is expected that less discretionary and bureaucratic power may	It is uncertain how the Code of Ethics affects

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>penalizing certain conflict of interests, bribery, collusion, and other acts impeding competitive bidding. The Code of Ethics Act addresses conflict of interest, related party matters, collusion, bribery, other procurement-related irregularities, and provides penalties for infraction. Palau endorsed the ADB/OECD Anti-Corruption Initiative for Asia and the Pacific.⁽³⁰⁾</p>	<p>encourage investment and innovation because of increased transparency.</p>	<p>use of biodiversity.</p>
	<p>The Procurement Law designates three Procurement Officers for the government: Director of Public Works for procurement of construction services, Director of Public Service System for professional services, and Chief of Property and Supply for all other procurements. The Procurement code ensures the fair and equitable treatment of all</p>	<p>It is expected that less discretionary bureaucratic power may encourage investment and innovation because of increased transparency. Though other agencies set their own procurement policies, transaction costs may be negligible.</p>	<p>It is uncertain if the Procurement Law affects the use of biodiversity.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>persons who deal with the procurement system, or any of its state governments, and applies to construction materials, goods, and services, and the management, control, warehousing, sale, and disposal of construction materials, goods and services. Semiautonomous agencies set their own procurement policies, which must at least meet the standards of the Procurement Law and Regulations.⁽³⁰⁾</p>		
	<p>The legislative framework gives procurement personnel considerable discretion, particularly in interpreting undefined terms. The legislation allows competitive negotiation if a procurement officer deems competitive bidding to be “impractical” or “not advantageous,” without, however, defining these</p>	<p>The discretionary nature of the framework counteracts incentives provided by the Code of Ethics; this uncertainty may have a negative impact on investment and innovation.</p>	<p>It is uncertain if the legislative framework affects the use of biodiversity.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>terms. To reduce corruption by increasing participation in procurement, the Procurement Law requires procurement opportunities to be announced in a newspaper of general circulation in Palau.⁽³⁰⁾</p>		
Intellectual Property	<p>Palau is not a member of the World Intellectual Property Organization (WIPO), the WTO, or any other organization or convention protecting intellectual property rights.⁽²⁸⁾ Palauan copyright law explicitly covers materials in which:</p> <p>(i) one or more of the authors is or was on the date of first publication a national or resident of the United Nations Trust Territory of the Pacific Islands, Palau District, or the Republic of Palau; (ii) the work is or was initially published in the Republic of Palau; (iii) the work is or was initially</p>	<p>It is not clear how compatible local law is with respect to incentivising foreign investment.</p>	<p>IP law does not explicitly mention rights on biodiversity, thus the level of protection from exploitation provided is not clear.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>published in another country and also published in the Republic of Palau within 30 days thereafter, irrespective of the nationality or residence of the author; (iv) the work is an audiovisual work, the author of which is a resident of Palau; or the work is an architectural work erected in the Republic of Palau or is an artistic work incorporated into a building or other structure located in Palau.⁽²⁸⁾</p>		

18.11 Papua New Guinea

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
Investment	<p>Papua New Guinea has established a Policy Framework of Responsible Sustainable Development, and has made progress by creating policies and systems to streamline the regulatory and administrative requirements for foreign investors. The 1992 Investment Promotion Authority (IPA) promotes and facilitates investment and acts as a one-stop shop for investors. Foreign investment does require government approval and the procedure is implemented by the government with the assistance of the IPA per the Investment Promotion Act.⁽³¹⁾</p>	<p>This policy framework may facilitate the entry of foreign investment given the low compliance and administrative burdens. As the IPA is the only agency to deal with investment, transaction costs to set up business in the country may be low. Thus, it may be expected that innovation would occur as foreign funding becomes available. Furthermore, operation of a new private credit bureau improved the credit information system in Papua New Guinea.⁽³²⁾</p>	<p>Though increased availability of funding may increase pressure on biodiversity, the Policy Framework mentions sustainability as one of its premises. It is unclear how the policy is implemented or enforced.</p>
	<p>In December 2013, the IPA introduced an online registry system that will significantly speed up the registration of companies,</p>	<p>The IPA may facilitate trade and speed up exchanges. However, delays because of Parliament's proceedings</p>	<p>The registry system may formalize and increase the visibility of some economic activities, providing</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>but this has yet to go live since Parliament did not approve amendments to the Companies Act of 1997 until November 2014. The IPA had expected the online registry system to be up and running by November 2014, but this is now expected to happen after the amendments to the Companies Act of 1997 come into effect on February 1, 2015.⁽³¹⁾</p>	<p>may discourage potential investors.</p>	<p>an instrument to track company actions that might harm biodiversity.</p>
	<p>Foreign investors can either be incorporated in PNG as a subsidiary of an overseas company or incorporated under the laws of another country, and therefore registered as an overseas company under the Companies Act 1997.⁽³¹⁾</p>	<p>For a company to be registered under the laws of another country provides the possibility to be ruled by a more sophisticated and secure legal framework. This may motivate innovation and investment across all the economic sectors involved.</p>	<p>It is unclear how the different legal systems would affect use of biodiversity.</p>
	<p>The 1997 Companies Act and 1998 Companies Regulation oversee matters regarding private and public companies, both</p>	<p>Though there might be compliance and administrative burdens around registration and approval, it is unclear if</p>	<p>The approval, certification and registry may formalize and increase visibility of</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	foreign and domestic. All foreign business entities must have IPA approval and must be certified and registered with the government before commencing operations in PNG. ⁽³¹⁾	the related costs are significant relative to the size of the investment.	some economic activities, providing an instrument to track company actions that might harm biodiversity.
	In 2014, the government amended the 1997 Companies Act to improve corporate governance and ease regulatory burdens. The main six changes to the act are as follows: (i) increased protection and benefits for shareholders; (ii) clarification of duties imposed upon directors; (iii) a more transparent and streamlined process of issuing shares; (iv) increased protection of creditors, including a more disciplined liquidation process; (v) a clearer process for filing annual returns; and (vi) streamlined filing requirements in anticipation of	These changes may facilitate investment and secure profits from innovation activities. It also sets investment as a priority for PNG development.	It is uncertain if the Companies Act affects use of biodiversity.

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>implementing an online registration.⁽³¹⁾</p>		
	<p>In 2013, the government amended the Takeovers Code to include a test for foreign companies wishing to buy into the ownership of local companies. The new regulation states that the Securities Commission of Papua New Guinea (SCPNG) shall issue an order preventing a party from acquiring any shares, whether partial or otherwise, if the commission views that such acquisition or takeover is not in the national interest of PNG.⁽³¹⁾</p>	<p>Takeovers may be an important part of economic activities, thus it is uncertain if discretionary decisions from SCPNG will prevail over investment decisions. It is not clear how this would affect investment and innovation.</p>	<p>It is uncertain if takeovers and related legislation affects use of biodiversity.</p>
	<p>The Investment Promotion Act 1992 provides the general guiding framework for all investment in PNG, while investment in some key sectors is handled by other bodies under specific sectoral legislation, e.g. investment in fisheries is administered under the</p>	<p>Separate legislation for the economic sector may facilitate access to information and research for investment planning.</p>	<p>It is uncertain if separate legislation is explicit and enforces sustainable use of biodiversity.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>Fisheries Management Act 1998; banking and financial services under the Banks and Financial Institutions Act 2000; forestry under the Forestry Act 1991; mining under the Mining Act 1992; petroleum under the Oil & Gas Act 1998; and telecommunications under the National Information Communication Technology Authority Act 2009 (NICTA).⁽³¹⁾</p>		
	<p>Mandatory localization plans for businesses were removed in 2009 (Employment of Non-Citizens Act 2007); compulsory trading reports detailing actual training activities are still required for businesses to renew foreign work permits. A new entry permit (Resident (Long Term) Entry Permit) was also introduced in September 2005 to extend permanent residency to majority foreign owners of</p>	<p>This may facilitate settlement of foreign investors and entrepreneurs, as well as secure their permanence and rights to profits.</p>	<p>It is uncertain if new entry permits affect use of biodiversity.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	businesses that have operated in PNG for at least five years. ⁽³¹⁾		
Trade	Trade-related and FDI policies are to be aligned with the Government's over-arching development plan, Vision 2050; the Prime Minister's Office and the NEC through the Public Sector Reform Management Unit are heavily involved in implementation. However, despite on-going efforts, which may bring longer-term improvements, PNG's trade policy framework remains weak institutionally, with insufficient coherence and coordination. Policy-making is largely ad hoc, which weakens the mainstreaming of trade policy into economic and development policies. ⁽³³⁾	Weak institutional framework deters investment and innovation as it is not clear the sustainability of government decisions.	Weak institutional framework opens the possibility of rent seeking on biodiversity and the likely unsustainable exploitation.
	Prices Regulation Act: certain declared essential goods and services are	Price controls may affect investment and innovation because of	It is uncertain if price controls in agriculture mitigate

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	subject to either price control (Section 21) or price monitoring (Section 32) to benefit consumers (Chapter 32). ⁽³³⁾	reduced profitability.	pressure on biodiversity.
	The 2002 Independent Consumer and Competition Commission Act, is the law that governs in the area of competition. It also established the Independent Consumer & Competition Commission (ICCC), the country's premier economic regulatory body and consumer watchdog; introduced a new regime for the regulation of utilities, in particular in relation to prices and service standards; and allowed the ICCC to take over the price control tasks. ^(33,34)	Though the Act sets responsibilities to specific agencies and reduces uncertainty, price controls may affect investment because of the reduced profitability.	It is uncertain if price controls in agriculture mitigate pressure on biodiversity.
	Papua New Guinea's trade policy has focused primarily on tariff liberalisation, removal of non-tariff barriers to trade, providing tariff protection	These actions may facilitate trade and opening possibilities for investment to occur. Greater access to export markets may also	The increase in market size and the possibility of exporting PNG goods based on biodiversity resources may add

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>for specific local industries and undertaking negotiations on trade agreements. Guided by its development objectives, Papua New Guinea has pursued its trade policy in making appropriate interventions on imports and enhancing market access for exports.^(33,34)</p>	<p>increase availability of funding and encourage innovation.</p>	<p>pressure on these resources.</p>
	<p>The Tariff Reform Program (TRP), which the Government embarked on from 1999-2006 had the objective of creating a more efficient and productive private sector through increasing international competition in the domestic economy. Under the TRP, tariffs were gradually reduced through a planned schedule of reductions, which was legislated within the Customs Tariff Act.^(33,34)</p>	<p>Competition may reduce entry barriers to markets, and other companies may arise based on entrepreneurship. Investment and innovation may be positively affected.</p>	<p>Further competition and entry of companies may increase pressure on biodiversity.</p>
	<p>The National Agriculture Development Plan (NADP) 2007-2016 was formulated</p>	<p>This is a broad program that may facilitate investment in</p>	<p>Though the Plan has set sustainability as a premise, it is</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>and adopted by the Government. The NADP aims to sustainably transform the country's agriculture sector into a vibrant and productive economic sector that contributes to economic growth, social wellbeing, national food security and poverty alleviation. The key priorities of the NADP include: research and extension; training and information; industrial tree crops, food and horticulture; spices and minor crops; livestock, apiculture and aquaculture; gender and social issues and HIV/AIDS; regulatory and technical services; and strengthening of the NADP management.^(33,34)</p>	<p>agriculture. It is undetermined if public funding may crowd out private initiatives.</p>	<p>uncertain if increasing the size of this economic sector will increase pressure on biodiversity.</p>
	<p>The Papua New Guinea Forest Authority (PNGFA) is the Government Regulatory Authority, established under the National Forest Act (1991), primarily responsible for</p>	<p>It is unclear if this Authority encouraged investment and innovation in forestry, as well as the creation of production externalities.</p>	<p>Though the Act has set sustainability as a premise, it is uncertain if increasing the size of this economic sector will increase pressure</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>ensuring the sustainable management of the resource. The PNGFA continues to be guided by the National Forest Policy of 1991. The main thrust of the policy is to manage the resource in a sustainable way to achieve economic growth, to create employment opportunities for Papua New Guinean's by increasing their participation in the industry and to encourage and increase downstream processing. In 2009, PNGFA drafted the National Forest Development Guidelines which gives direction to the National Forest Plan, which underpins all forest based activity in Papua New Guinea.^(33,34)</p>		<p>on biodiversity.</p>
Training	<p>No resources found.</p>		
Research and Development	<p>There are several government/authority financed and/or subsidized research and development</p>	<p>The increased availability of funds may increase investment and innovation across many</p>	<p>It is likely that larger companies may increase the pressure on biodiversity.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>programs available to foreign firms:</p> <ul style="list-style-type: none"> • Feasibility contribution scheme: The government, through the Investment Promotion Authority, is prepared to assist with the preparation of feasibility studies by contributing up to half the cost of such an exercise; • Infrastructure: Where considered appropriate, the government is sometimes prepared to provide or finance infrastructure needed for a particular project in exchange for a negotiable user charge; and, • Assistance to Papua New Guineans: The government offers a number of forms of financial assistance to Papua New Guineans to assist with the 	<p>areas. It is unclear if this public funding crowds out other private initiatives.</p>	

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>establishment of small-scale business operations, primarily through the Small Business Development Division of the Department of Trade and Industry.^(33,34)</p>		
Standards	<p>The lead body, the government agency the National Institute of Standards and Industrial Technology (NISIT), is responsible for developing, adopting, reviewing, and publishing PNG National Standards (NISIT Act, 1993). These are developed by consensus based on nine registered Technical Committees (including the Units Standards Calibration Committee), which have private- and public sector representatives.^(33,34)</p>	<p>There appears to be a clear definition of rules and agencies, which may reduce uncertainty on standardization.</p>	<p>It is uncertain if standards affect use of biodiversity.</p>
	<p>PNG has some 1,200 National Standards, covering mostly mechanical and electrical technology applications.</p>	<p>There appears to be a clear definition of rules by sector, which may reduce uncertainty on compliance.</p>	<p>It is uncertain if standards affect use of biodiversity.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>Fish and fishery product standards were released in 2009.^(33,34)</p>		
	<p>Mandatory standards (i.e. technical regulations) are contained in specific regulations, and are published by the NISIT in the Register of Mandatory Standards, Reference in the Legislation of PNG. Technical regulations with input from NISIT, include the Bio-Safety Regulation (2008) and Food Sanitation Regulation (2007).^(33,34)</p>	<p>There appears to be a clear definition of rules by sector, which may reduce uncertainty on compliance.</p>	<p>It is uncertain if standards affect use of biodiversity, but bio-safety regulation may help to preserving the environment.</p>
	<p>The National Quarantine Inspection Authority (NAQIA) implements PNG's quarantine measures (NAQIA Act 1997). It endeavours to set quarantine import measures based on pest-risk assessments using international standards to meet its multilateral obligations. It seems that zero tolerance has been relaxed to "acceptable level</p>	<p>There appears to be a clear definition of rules by sector, which may reduce uncertainty on compliance.</p>	<p>It is uncertain if standards affect use of biodiversity, but bio-safety regulation may help to preserving the environment.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>of protection" based on disease status and in principle at least, on case-by-case risk assessment. SPS requirements apparently are most restrictive in the case of live animals and fish.^(33,34)</p>		
Procurement	<p>Government procurement has been partially reformed by amending the relevant legislation (the 1995 Public Finance Management Act) in December 2003. Associated changes were made in 2005 to the Financial Instructions (Good Procurement Manual and Financial Management Manual). PNG has therefore centralized national government procurement under the Ministry of Treasury and Finance.^(33,34)</p>	<p>Centralization may help in coordinating investment and reducing transaction costs on planning.</p>	<p>It is uncertain if procurement affects use of biodiversity.</p>
Intellectual Property	<p>The Intellectual Property Office of Papua New Guinea (IPOPNG) protects and promotes intellectual property laws in Papua</p>	<p>There appears to be a comprehensive body of IP legislation, which may reduce costs on investment research and</p>	<p>It does not appear that IP on biodiversity resources are protected in</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>New. The following intellectual property legislations: the Patents and Industrial Designs Act 2000, Copyrights and Neighbouring Acts 2000, and the Trade Marks Act, which has been in force for the past twenty five years.^(33,34)</p>	<p>planning. It is unclear if proper enforcement occurs.</p>	<p>legislation, this may limit large-scale use. It is unclear if small-scale use is significant enough to deplete the resources.</p>
	<p>IPOPNG has undertaken policy initiatives with the aim of strengthening and improving the existing IP legal framework to ensure that these legislations are fully compliant with the TRIPS obligations. The main improvements include:</p> <ul style="list-style-type: none"> • A complete amendment of the Trade Marks Act that includes provisions on Geographical Indicators (GI), well known marks and collective or multi-classed applications and requirements for the Madrid protocol; 	<p>There appears to be a comprehensive body of IP legislation, which may reduce costs on investment research and planning. In addition, it secures IP rights and may encourage innovation.</p>	<p>It does not appear that IP on biodiversity resources are protected in legislation, this may limit large-scale use. It is unclear if small-scale use is significant to deplete the resources.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<ul style="list-style-type: none"> <li data-bbox="427 409 754 801">• Substantial amendments to the Patents & Industrial Designs Act to include provisions on Patent Cooperation Treaty (PCT) and compulsory licensing; and, <li data-bbox="427 835 754 1176">• Significant changes to the Copyright & Neighbouring Rights Act to allow for establishment of Collective Management Organizations.⁽³⁴⁾ 		

18.12 Pitcairn

No resources found

18.13 Samoa

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
Investment	The Special Purpose International Companies Act 2012 introduces a new form of hybrid company, based upon a familiar and popular format, the Samoan International Company. ⁽³⁵⁾	This Act may change the business environment by reducing compliance and administrative burdens when starting a company. The legal format of the company may be more appropriate to the Samoan context in order to readily incorporate innovation attitudes.	This Act may formalize and increase visibility of some economic activities, providing an instrument to track company actions that might harm biodiversity – provided current biodiversity protection laws exist.
	A Citizenship Investment Bill is currently being tabled in parliament that could see foreigners gain Samoan Citizenship if they are willing to invest WST 1 million (USD 420,000). The price tag is negotiable, and there is a waiting period and series of checks that must take place. ⁽³⁶⁾	This Bill may change the business environment by increasing the availability of funds in Samoa. Costs relating to innovation activities may then decrease as the number of companies increases. Depending on the number of foreigners applying for Citizenship through this law, the market size may also	The increase in market size and the possibility to export Samoan goods that are based on biodiversity resources may add further pressure on these resources.

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
		<p>increase which would further incentivise innovation activities given the potentially larger number of customers.</p>	
	<p>Screening of Foreign Direct Investment (FDI) Procedures for establishing a business are provided under existing legislation such as that of the Companies Amendment Act 2006, Foreign Investment Amendment Act 2011, the Business License Act 1998, Labour and Employment Relations Act 2013 and the Central Bank Act and Guidelines.⁽³⁶⁾ Samoa shifted from a deed system to a title system and fully computerized its land registry, which reduced the time required to register property by 4 months.</p>	<p>Legislation related to FDI may reduce uncertainty and give clear rules on issues around royalties and ownership of innovative ideas. However, Samoa made transferring property more expensive by increasing the stamp duty.⁽³⁵⁾</p>	<p>It is unclear if similarly comprehensive biodiversity legislation exists for terrestrial biodiversity and land resources. But no significant mentions seem to appear in the Foreign Investment Act.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>Samoa established the Unit Trust of Samoa in 2010 with the goal of being ‘an investment vehicle for an ordinary Samoan out in the village, a small farmer of fisherman’ and an opportunity for overseas Samoans to invest in the country.⁽³⁷⁾</p>	<p>This Unit Trust may change the business environment by increasing the availability of funds in Samoa. Costs relating to innovation activities may then decrease as the number of companies increases. Depending on the number of applicants, the market size may also increase, which would further incentivise innovation activities given the potentially larger number of customers. Additionally, as the Trust is directed to people far from the main markets, it would help reduce transaction costs for all exchanges, and open more market possibilities which may encourage innovation. In the first six months of operation no significant amounts of</p>	<p>The larger availability of funds may add further pressure on biodiversity resources through increased exploitation or increased use of land for more profitable activities such as agriculture.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
		investment were channelled through this scheme. ⁽³⁸⁾	
	<p>Samoa's foreign investment regime is largely permissive and aims to encourage foreign investors to establish business in Samoa. In accordance with the Foreign Investment Amendment Act 2011 the following activities are regarded as Reserved and Restricted activities, that is, not allowed to foreign investors: (i) Bus transport services for the general public; (ii) Taxi transport services for the general public; (iii) Rental vehicles; (iv) Retailing of general food items; (v) Saw milling; and, (vi) Traditional garment designing and printing. However, foreign investors could participate in restricted</p>	<p>Restrictions on activities affect the availability of funds from FDI, and may hamper innovation in these areas because Samoan nationals may not have the resources to invest or innovate in the restricted areas. Some flexibility may exist through joint ventures which would encourage small-scale innovation.</p>	<p>Restrictions on the exploitation of biodiversity or genetic resources were not readily identifiable. Complementary legislation may exist, but the omission may result in additional pressure on these resources.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>activities if the conditions are satisfied as per the Restricted List: (i) Fishing, if the foreign investor has a maximum 40% equity; (ii) Manufacturing of Nonu (<i>Morinda citrifolia</i>) and Coconut Virgin Oil, a foreign investor must establish a joint venture with a local partner; and, (iii) Services: Architectural, Professional engineering, General construction, Sewage, Refuse disposal, Sanitation and similar services. A foreign investor must be incorporated in Samoa and must establish a joint venture with a local partner.^(38,39)</p>		
Trade	<p>The Ministry of Commerce, Industry and Labour is responsible for competition regulation in Samoa. The statutory</p>	<p>Legislation following experiences from developed countries may reduce uncertainty around market behaviour. This may</p>	<p>Regulation of activities may limit exploitation of biodiversity, but this will be offset if activities that put biodiversity at risk are able to continue</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>competition regimes are contained in the Fair Trading Act 1998 (modelled on Australian trade practices legislation) and the Consumer Information Act 1989. The legislation provides for consumer protection, regulation of restrictive trade practices, certain consumer guarantees and labelling and advertising.⁽³⁹⁾</p>	<p>lead to protection for property rights around innovation.</p>	<p>despite the legislation.</p>
Training	<p>An important initiative to emerge is the e-Commerce Development Centre, which would house a technology training centre, a data entry facility, software development for application, and a business incubation facility.⁽⁴⁰⁾</p>	<p>This Centre may reduce the costs of innovation as resources for entrepreneurs will exist in Samoa, which would reduce the need for international assistance.</p>	<p>This Centre may introduce innovative ideas for the sustainable use of biodiversity. It remains unclear whether or not the legal framework allows foreign companies to take a role in biodiversity-related sectors.</p>
Research and Development	<p>Foreign firms may participate in government financed or</p>	<p>These programs may reduce the costs of innovation as resources</p>	<p>These programs may be directed toward biodiversity research and</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>subsidized research and development programs as technical and in-country capacities are limited. However, since programs are usually financed by foreign development partners and donors, any conditions and limitations may be dependent on the source of project financing.⁽⁴⁰⁾</p>	<p>for entrepreneurs will exist in Samoa, which would reduce the need for international assistance.</p>	<p>encourage sustainable exploitation if economically significant resources are found.</p>
Standards	No resources found		
Procurement	<p>Samoa law recognizes the various business structures utilized in the common law world: sole traders, partnerships, limited liability companies, joint ventures and trusts (including unit trusts). These structures are regulated by legislation including the Companies Act 2001, Partnership Act 1975, Trustee Act 1975 and Unit Trusts Act 2008.</p>	<p>Legislation following experiences from developed countries may reduce uncertainty around market behaviour. This may lead to protection of property rights around innovation.</p>	<p>Legislation may formalize and increase visibility of some economic activities, providing an instrument to track company actions that might harm biodiversity – provided laws for biodiversity protection exist.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>Such structures are available for onshore businesses. Samoa's Companies Act 2001 contains a regulatory regime based on New Zealand company law. It allows the incorporation of a sole person company (i.e. one person being both shareholder and director) and directors need not be resident in Samoa.⁽³⁹⁾</p>		
Intellectual Property	<p>To protect and safeguard intellectual property in Samoa, the Government has passed the following laws: a) Copyrights Act 1998 - applies to work including books, pamphlets, articles, computer programs, speeches, lectures, musical works, audiovisual, works of architecture etc. b) Intellectual Property Act 2013 - for the</p>	<p>Provided proper enforcement, these laws enable ease of appropriation for innovation activities, and reduce risk when starting a new company.</p>	<p>Legislation regarding IP in relation to genetic or biodiversity resources was not identified, and this appears to be a grey area that may affect ownership of goods based on biodiversity resources.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>registration and enforcement of rights of owners of Trademarks, Patents, Industrial designs, GI and Plant varieties.^(40,41)</p>		

18.14 Solomon Islands

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
Investment	<p>The previous Foreign Investment Act and regulations did not create a favourable environment for FDI: the procedures for approval were lengthy and lacked transparency, and there was a long list of activities reserved for nationals. A myriad of licences and permits were also required, especially to ensure there was no encroachment into activities reserved for Solomon Islanders. A review of foreign investment legislation, with a view to facilitating and encouraging FDI, resulted in the adoption of a new Foreign Investment Act in 2005.⁽⁴²⁾</p>	<p>The new legislation may have reduced transaction costs to set up companies based on foreign investment as well as reduced compliance and administrative burdens.⁽⁴³⁾ Furthermore, the Solomon Islands made registering property faster by separating the land registry from the business and movable property registries.⁽⁴³⁾</p>	<p>The increased availability of funds and markets may increase pressure on biodiversity resources as a result of increased exploitation or increased use of land for more profitable activities such as agriculture.</p>
	<p>Another important change under the Foreign Investment Act 2005 is the streamlining of procedures for regulating foreign investment.⁽⁴²⁾</p>	<p>Transaction costs, compliance and administrative burdens may have reduced, which would facilitate investment planning.</p>	<p>This Act may formalize and increase visibility of some economic activities, providing an instrument to track</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
		<p>The Solomon Islands strengthened access to credit by passing a new secured transactions law, which broadens the range of assets that can be used as collateral, allows a general description of debts and obligations secured by collateral, permits out of court enforcement and creates a collateral registry. Furthermore, the Solomon Islands strengthened investor protections by increasing shareholder access to corporate information. The Solomon Islands also adopted a new law that simplified insolvency proceedings.⁽⁴³⁾</p>	<p>company actions that might affect biodiversity.</p>
Trade	<p>A broad reform of import duties was implemented in 2007, harmonising tax rates, reducing statutory exemptions and reducing average tariffs, with most goods now taxed at 10 per</p>	<p>This reform may have facilitated trade, but it is not clear if the uniform 10% tariff is a significant deterrent for import markets and</p>	<p>It is uncertain if trade reforms affect the use of biodiversity resources. Over exploitation may occur if imported goods are directed</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	cent, very much below Solomon Islands' WTO bound rates. ⁽⁴²⁾	access by entrepreneurs.	towards land-use intensification or expansion of environmentally-harmful activities.
	Trade policies are formulated on an ad hoc basis, often through inter-ministerial consultations. While the ultimate policy decision is vested with the Cabinet, trade policies have not received the required attention in the country's overall development strategies. ⁽⁴²⁾	Ad-hoc formulation may increase uncertainty and deter investment and innovation.	Lack of coordination may open the possibility for rent-seeking activities around the use of biodiversity resources.
	A Trade Facilitation Committee, with representations from various agencies of the Government, has not met in several years. Instead, the Integrated Framework National Steering Committee (IFNSC), established in 2007 following the launch of the Integrated Framework, has de facto become the body to oversee trade policy	Uncertainty exists as agencies' responsibilities are not properly defined, this may in turn increase transaction costs on setting up investment and innovation planning.	It is uncertain if there are any effects on the use of biodiversity resources.

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>matters. The Solomon Islands Chamber of Commerce and Industry (SICCI) is the link for the Government to interact with the private sector. The Chamber remains active in assisting the Government in formulating policies.⁽⁴²⁾</p>		
	<p>Solomon Islands does not have a generic competition law. The Consumer Protection Act contains general provisions on refusal to sell, tied selling, exclusive dealing, price discrimination, and monopolization.⁽⁴²⁾</p>	<p>Lack of a competition law increases uncertainty on the adequacy of the country to receive significant investment.</p>	<p>Lack of regulation of market power may allow excessive exploitation of biodiversity resources.</p>
Training	No resources found		
Research and Development	No resources found		
Standards	<p>Solomon Islands has limited institutional capacity to adopt and enforce technical regulations and conformity assessment procedures. It did not adopt legislation to</p>	<p>There is a great deal of uncertainty as standards are not clear and may change at the whim of political circumstances during the course of</p>	<p>Unavailability of standards may lead to unsustainable exploitation of biodiversity given the lack of limits.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>implement the TBT Agreement, nor has it made any notifications under that Agreement. Nor has it designated an entity responsible for answering enquiries about technical regulations, conformity assessment procedures, and standards.^(44,45)</p>	<p>setting up investment.</p>	
	<p>To the extent that technical regulations and conformity assessment procedures are embodied in subsidiary legislation, the administrative procedure for their adoption is governed by the Interpretation and General Provisions Act. Solomon Islands does not maintain an inventory of technical regulations or conformity assessment procedures in force.⁽⁴⁴⁾</p>	<p>There is a great deal of uncertainty as standards are not clear and may change at the whim of political circumstances during the course of setting up investment.</p>	<p>Unavailability of standards may lead to unsustainable exploitation of biodiversity given the lack of limits.</p>
	<p>The Customs and Excise Act specifies certain technical regulations applicable on imports. There are no competent</p>	<p>There is a great deal of uncertainty as standards are not clear and may change at the whim of political circumstances</p>	<p>Unavailability of standards may lead to unsustainable exploitation of biodiversity given the</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>agencies to assess conformity with Solomon Islands technical regulations. There are no standardizing bodies in Solomon Islands.^(44,45)</p>	<p>during the course of setting up investment. Furthermore, the National Metrology and Testing Laboratory was destroyed during the period of civil strife, and authorities are seeking funds to rebuild it. No information is available on market surveillance activities carried out by the authorities in connection with Solomon Islands technical regulations.^(44,45)</p>	<p>lack of limits.</p>
Procurement	<p>Solomon Islands is not a party or observer to the Government Procurement Agreement. Central government agencies procuring goods and services, or conducting public works, must follow instructions issued by the Ministry of Finance and Treasury. However, several audits by the Office of the Auditor General have revealed widespread</p>	<p>There is a great deal of uncertainty as procurement may change on the whim of political circumstances, which becomes a deterrent to investment and innovation.</p>	<p>Discretionary bureaucratic power may allow rent seeking and overexploitation of biodiversity.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>non-compliance with legislation and guidelines on government procurement.^(44,45)</p>		
	<p>Under the Public Finance and Audit Act, the Minister of Finance and Treasury can issue financial instructions to ensure the proper supervision and control of Government finances. Chapter 22 of the Financial Instructions 2004 covers procurement of goods, services, and public works by the Central Government. The Financial Instructions also cover the sale of state assets. Solomon Islands does not maintain a system for the dissemination of procurement information, including advance information on procurement opportunities.^(44,45)</p>	<p>There is a great deal of uncertainty as procurement may change on the whim of political circumstances, which becomes a deterrent to investment and innovation. However, the Solomon Islands made getting electricity easier by improving procurement practices for the materials needed to establish new connections.⁽⁴³⁾</p>	<p>Discretionary bureaucratic power may allow rent seeking and overexploitation of biodiversity.</p>
Intellectual Property	<p>As a least developed country far from the technological frontier,</p>	<p>IP protection rights for innovation activities are unclear.</p>	<p>There is no explicit mentioning of biodiversity, so it is</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>which has minimal capacity to conduct original research and development activities, Solomon Islands' interests in IP rights are to ensure support for its broader policy priorities of poverty reduction and rural development. At the multilateral level, these are best served by taking full advantage of all exceptions and flexibilities that improve ordinary people's access to cheap medicines and educational materials, and maximising the private sector's ability to transfer and adapt technology from abroad. At the regional level, this involves active support for programmes to recognise and protect traditional knowledge, to restore the balance of intellectual property law in favour of indigenous intellectual assets for the benefit of rural communities.⁽⁴⁴⁾</p>		<p>uncertain what effects this may have on exploitation of biodiversity resources.</p>

18.15 Tonga

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>Solomon Islands is not a member of the World Intellectual Property Organization, neither is it a signatory to any international intellectual property rights treaty. Solomon Islands does not have a specific policy on intellectual property rights. It did not adopt any legislation to implement the TRIPS Agreement. The legal framework offers copyright protection; patents and trademarks registered in the United Kingdom are eligible for registration in Solomon Islands under statutes that predate Independence. The main statutes on intellectual property rights are the Copyright Act, the Registration of United Kingdom Patents Act, and the Registration of United Kingdom Trade Marks Act.^(44,45)</p>	<p>Though there are some traits of legislation, there is no clear environment to secure IP rights, which introduces a high level of uncertainty for investment and innovation.</p>	<p>Despite the adaptation of foreign legislation we could not find specific references to biodiversity protection.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
Investment	<p>Tonga has recently approved an overhaul of its business license legislation, aimed at improving private sector growth through licensing entities rather than activities. Tonga's business climate reforms include the establishment of an on-line registry, allowing easier and lower-cost filing of applications and notices. As a further stimulus to economic growth and private sector development, Tonga plans to establish a Trade and Investment Board to coordinate key aspects of national investment policy.⁽⁴⁶⁾</p>	<p>These actions facilitate investment planning and reduce compliance and administrative burdens. Tonga made starting a business easier by implementing an electronic system at the registry, which reduced the time required for verification of the uniqueness of the company name and for registration of the company. The costs for the name search, company registration and business license increased, however.⁽⁴⁷⁾</p>	<p>New legislation may formalize and increase visibility of some economic activities, providing an instrument to track company actions that might harm biodiversity.</p>
	<p>As a further support to private sector growth, Tonga is developing and plans to implement a wider reform programme focused on lowering business costs, including: (i) Targeting key</p>	<p>This is a comprehensive plan of action that may decrease transaction costs, facilitate channelling of funding and</p>	<p>All those actions may help to formalize and increase visibility of some economic activities, providing an instrument to track company's</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>issues related to starting a business, obtaining credit, protecting investors and resolving insolvencies/bankruptcies; (ii) Deepening the modernisation of the relevant electronic systems; (iii) Promoting and protecting fair competition within Tonga, including stronger protection of intellectual property and better border measures; (iv) Continuing support to institutions that provide support services and training to the private sector.⁽⁴⁶⁾</p> <p>Tonga strengthened its secured transactions system by passing a new law that allows a general description of the obligation in the security agreement and gives secured creditors priority outside bankruptcy. Furthermore, Tonga improved access to credit information by establishing a private credit bureau.⁽⁴⁷⁾</p>	<p>encourage innovation across economic sectors. However, Tonga made transferring property more costly.⁽⁴⁷⁾</p>	<p>actions that might harm biodiversity.</p>
	<p>The Government has</p>	<p>This is a</p>	<p>This plan may lead to</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>formulated a Private Sector Development Strategy (PSDS), which seeks to create a vibrant private sector in partnership with Government for inclusive growth and sustainable development. Its purpose is to foster national development by maximizing impact of private sector activities. The Strategy identifies key elements to accelerate private sector growth. The specific objectives of the PSDS are: (i) To ensure the regulatory and policy framework are conducive for enterprise development; (ii) To identify opportunities for investment and growth of private sector; (iii) To provide effective support services to the business community for competitiveness development; (iv) Address capacity constraints that impede productivity of the private enterprise; and, (v) Develop an effective model for credible implementation of proposed</p>	<p>comprehensive plan of action that may significantly decrease transaction costs, facilitate channelling of funding and encourage innovation across economic sectors. However, Tonga made paying taxes more complicated for companies by introducing a superannuation levy. In addition, Tonga made paying taxes more complicated for companies by reintroducing the annual fee for a business license.⁽⁴⁷⁾</p>	<p>larger companies and markets, and consequently add further pressure on biodiversity through increased use or increasing the amount of land used for more profitable activities such as agriculture.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	strategic interventions. ⁽⁴⁶⁾		
Trade	A number of documents outline Tonga's trade and development vision at the sector level, including the Private Sector Development Strategy, Investment Promotion Strategy, and Tourism Sector Roadmap. ⁽⁴⁶⁾	It does appear that the intention is to support trade and rules for investment. This reduces uncertainty and secures ownership of outputs from innovation activities.	These documents do not seem to mention anything specific about sustainable use of biodiversity, or a strategy to develop these resources.
	The Government has established a National Growth Committee with six Sector Growth Committees (Agriculture, Tourism, Fisheries, Construction, Manufacturing and Commerce) to identify constraints, and find joint solutions and implement them within the framework of appropriate sector plans. A National Export Strategy (NES) was established for the years 2007-10. The short term vision of this strategy was for Tonga to be a leading Pacific nation in export growth, by creating a sustainable economic environment for	This is a comprehensive plan of action that may significantly decrease transaction costs, facilitate channelling of funding and encourage innovation across economic sectors.	This plan may lead to larger companies and markets, and consequently add further pressure on biodiversity through increased use or increasing the amount of land used for more profitable activities such as agriculture.

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>exporting quality goods and services. The NES identified five main sectors (agriculture, fisheries, manufacturing, services and tourism) that would boost growth, especially through sharing of ideas, and initiating collaborative and concerted efforts between the private and public sectors. Currently the NES is being reviewed with a focus on goods. Trade in services will be addressed under the Tonga Investment Promotion Strategy and a Labour Export Strategy.⁽⁴⁶⁾</p>		
	<p>Other major developments have been: (i) A review of the investment regime through the Foreign Investment Regulations 2006; Simplification and rationalisation of the business licensing environment through the Business Licences (Amendment) Act 2012 and a business licence reform roadmap; (iii) A review of public enterprises to decide which are essential and which</p>	<p>This is a comprehensive plan of action that may significantly decrease transaction costs, facilitate channelling of funding and encourage innovation across economic sectors.</p>	<p>It is uncertain how these actions will affect biodiversity. A more competitive environment may increase the number of companies and utilization of biodiversity resources, but on the other hand, commitments to sustainability may lead to efficient and</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>are suitable for a more competitive environment or can be privatised; (iv) Anticipated implementation of HS 2012 for the tariff regime; (v) An on-going review of legislation in relation to shipping and civil aviation; (vi) Changes to Sanitary/Phytosanitary (SPS) processes; (vii) Implementation of the Customs Valuation Agreement; and, (viii) Implementation of Tonga's commitments under the TRIPS Agreement.⁽⁴⁶⁾</p>		<p>sustainable use of these resources.</p>
Training	No resources found.		
Research and Development	No resources found.		
Standards	<p>Tonga does not have a standards certification bureau and is not a subscribing member of International Organisation for Standardization. Tonga has relatively few independent or semi-independent regulators</p>	<p>Uncertainty arises as standards certification may not be reflective of internationally agreed references. Investment costs may increase but it is unclear if the increase</p>	<p>Lack of internationally agreed standards may lead to unsustainable use of biodiversity, though this needs empirical evidence to determine.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>as result of the country's small private sector. Most regulatory control is in the hands of ministries. Regulators include the National Reserve Bank of Tonga, the financial services regulator, the Companies Office of the Kingdom of Tonga which registers companies, the Ministry of Information and Communications and the Ministry of Agriculture, Forestry, Food and Fisheries.⁽¹³⁾</p>	is significant.	
Procurement	No resources found.		
Intellectual Property	<p>Tonga notified its legislation to the WTO in 2009, which in turn was reviewed by the TRIPS Council in October 2009. Regulations with respect to Protection of Geographical Indications and Protection of Layout Designs (Topographies) of Integrated Circuits were also enacted in 2009. Work continues with a view to acceding to the Patent Cooperation Treaty. The Ministry of Commerce,</p>	<p>There appears to be a body of legislation that secures ownership of outputs from innovation activities, this is likely to have a positive effect on investment decisions.</p>	<p>The use of biodiversity is not specifically mentioned, and it is unclear if protection of traditional knowledge is related to biodiversity.</p>

Topic	Summary	Review 1: Potential effect on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>Tourism and Labour (MCTL) is currently developing a national strategy for the protection of intellectual property. An area of interest is the protection of traditional knowledge and culture.⁽⁴⁶⁾</p>		

18.16 Tuvalu

Topic	Summary	Review 1: Potential effect of legislation on innovation and investment	Review 2: Potential effect on economic use of biodiversity
Investment	<p>Foreign Direct Investment Act: seeks to provide a legal framework in Tuvalu to encourage, facilitate, consolidate and streamline FDI investment proposals and projects in order to stimulate growth, employment and productivity in the private sector, and to remove discriminatory impediments in Tuvalu.⁽¹³⁾</p>	<p>This Act may facilitate investment and innovation by reducing transaction costs for activities such as labour hire and information collection.</p>	<p>It is unclear if the Act encourages an increase in the setting up of new companies, which made increase pressure on biodiversity resources.</p>
	<p>The Foreign Investment Facilitation Board (FIFB) oversees investment activities, under the auspices of the Ministry of Tourism, Trade and Commerce. Its roles include providing necessary information regarding investment opportunities in the country and considering</p>	<p>The FIFB facilitates innovation through reducing transaction costs by providing a gateway to foreign investors.</p>	<p>It is likely the FIFB protects biodiversity by setting limits or guidelines on land requirements. It is not clear though if any specifications exist for other biodiversity resources.</p>

Topic	Summary	Review 1: Potential effect of legislation on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>application proposals. Applicants must also complete a Foreign Direct Investment Questionnaire (FDIQ) detailing the size and nature of the project, its predicted costs and benefits, land requirements and other information needed to assess the investment proposal.⁽¹³⁾</p>		
Trade	<p>Trade associations are membership bodies for companies operating in particular areas of industry, and exist for the benefit of the business owners themselves. The Tuvalu National Chamber of Commerce (TNCC) was established in 1978 to serve the needs of businesses by working together and promoting an enabling business environment. There is no industry base in Tuvalu and very few</p>	<p>It is uncertain if the TNCC or PSOT affect innovation and investment decisions on a large scale.</p>	<p>It is uncertain if the TNCC or PSOT affect use of biodiversity.</p>

Topic	Summary	Review 1: Potential effect of legislation on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	private sector organizations, mainly in the form of cooperatives in retail and wholesale, and import of food and household items. TNCC has suffered from a lack of commitment by its members, with many withdrawing to establish the Private Sector Organization of Tuvalu (PSOT). ⁽¹³⁾		
Training	No resources found.		
Research and Development	No resources found.		
Standards	Tuvalu is not a member of the International Organisation for Standardisation and accordingly there is no national standards bureau. Despite this, there are several regulatory bodies and organisations which help govern business	It is uncertain if existing regulatory bodies affect innovation and investment.	It is uncertain if existing regulatory bodies affect use of biodiversity.

Topic	Summary	Review 1: Potential effect of legislation on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	relations. ⁽¹³⁾		
Procurement	No resources found.		
Intellectual Property	<p>Copyright Ordinance: Tuvalu has limited copyright legislation and it adopts the application of parts of the Copyright Act 1956 of England, among others. United Kingdom Designs Protection Ordinance (1978): This Ordinance provides for the protection of designs registered in the United Kingdom. In other words, it extends protection to United Kingdom designs registered under the Patents and Designs Act 1907 and 1919 of the United Kingdom. Kiribati Registration of UK Patent Act Cap 87. (1977 Ed) is applicable in Tuvalu. This Ordinance aims to provide for the</p>	<p>It is uncertain if IP legislation affects innovation and investment. Companies and entrepreneurs may have compliance and administrative burdens given the separate and diffuse bodies of legislation.</p>	<p>It is uncertain how IP legislation affects use of biodiversity.</p>

Topic	Summary	Review 1: Potential effect of legislation on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>registration of letters patent granted in the United Kingdom. Because the Ordinance refers to the law of the United Kingdom on patents, United Kingdom Patents Act 1949 may also apply in Tuvalu. In Tuvalu, the sanction for copyright infringement is a fine.</p>		

18.17 Vanuatu

Topic	Summary	Review 1: Potential effect of legislation on innovation and investment	Review 2: Potential effect on economic use of biodiversity
Investment	The Vanuatu Investment Promotion Authority (VIPA) was established to encourage foreign investment with an open and transparent investment environment, with an emphasis on the tourism industry. ⁽¹³⁾	This Authority may change the business environment by increasing the availability of funds in Vanuatu. Market sizes may also increase, which would also incentivise innovation activities given the potentially larger number of customers. Vanuatu made starting a business easier by reducing the time required for company registration at the Vanuatu Financial Services Commission and issuing provisional licenses at the Department of Customs. ⁽⁴⁸⁾	The increase in market size and the possibility to export Vanuatu goods that are based on biodiversity resources may increase pressure on these resources.
	The Vanuatu Commodities Marketing Board regulates the cocoa, copra and kava industries, setting commodity prices, issuing	Price controls may deter investment and innovation because of effects on profitability. However, the Board	Though not explicit, the Board may protect overexploitation of biodiversity through the licensing scheme.

Topic	Summary	Review 1: Potential effect of legislation on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	licenses and works with investors to develop industries based on Vanuatu's natural commodities. ⁽¹³⁾	may facilitate research for investment decisions and reduce transaction costs. Furthermore, Vanuatu made registering property easier by computerizing the land registry, and improved the quality of land administration by appointing a land ombudsman to deal with complaints relating to the land registry. ⁽⁴⁸⁾	
	The Department of Co-operatives and Ni-Vanuatu Business Development Services (DCNVBDS) provides training and management consultation for small businesses and manages a small-loan scheme for local businesses. ⁽¹³⁾	Depending on the scale of loans, the DCNVBDS may encourage the creation of larger companies and innovation. Vanuatu improved access to credit information by establishing a private credit bureau. ⁽⁴⁸⁾	The increased availability of funds and incentives may add pressure to biodiversity resources through an increase in exploitation or changing land-use to more profitable activities such as agriculture.
	Other key economic development agencies	The Council may facilitate investment	The Council may protect overexploitation

Topic	Summary	Review 1: Potential effect of legislation on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>include the Biodiversity Advisory Council, which promotes regulated and licensed bioprospecting for new investment; the Metenesel Cocoa Estates Limited (MEL) on the island of Malekula, a government-owned company that focuses on cocoa production but is diversifying to include other crops and livestock; and the Enterprise Challenge Fund (ECF), sponsored by AusAID, which provides funding for commercialising business projects in Vanuatu.⁽¹³⁾</p>	<p>and innovation involving biodiversity resources.</p>	<p>of biodiversity through the licensing scheme.</p>
Trade	No resources found.		
Training	No resources found.		
Research and Development	No resources found.		
Standards	<p>The principal economic regulators in Vanuatu include the Financial Services Commission, the</p>	<p>There appears to be a simplified standards framework that facilitates investment</p>	<p>It is uncertain how the standards affect use of biodiversity.</p>

Topic	Summary	Review 1: Potential effect of legislation on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	<p>Telecommunication and Radiocommunication Regulator (TRR), Utilities Regulatory Authority (URA), the Civil Aviation Authority (CAA), the Ports Authority and the Accreditation and Standards section of the National Tourism Development Office.⁽¹³⁾</p>	and innovation.	
Procurement	No resources found.		
Intellectual Property	<p>IP legislation comprises the Designs Act No. 3 of 2003: Enforcement of IP and Related Laws, Industrial Designs, IP Regulatory Body; Patents Act No. 2 of 2003: Enforcement of IP and Related Laws, IP Regulatory Body, Patents (Inventions); Trademarks Act (2003): Enforcement of IP and Related Laws, IP Regulatory Body, Trademarks; Circuits Layouts Act (2000): Enforcement of IP and Related Laws, IP</p>	<p>IP legislation appears comprehensive and likely to encourage investment and innovation.</p>	<p>It is uncertain how the IP legislation affects biodiversity it not specifically mentioned. It is unclear if protection of TK and cultural expressions are related to biodiversity resources.</p>

Topic	Summary	Review 1: Potential effect of legislation on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	Regulatory Body, Layout Designs of Integrated Circuits; Copyright and Related Rights Act (2000): Traditional Cultural Expressions, Traditional Knowledge (TK); Geographical Indications (Wine) Act (2000): this Law controls the use of false or misleading geographical indications for the origin of wine; Trade Secret Act (2000): Enforcement of IP and Related Laws, IP Regulatory Body, Undisclosed Information (Trade Secrets). ⁽¹³⁾		

18.17 Wallis and Futuna

Topic	Summary	Review 1: Potential effect of legislation on innovation and investment	Review 2: Potential effect on economic use of biodiversity
Investment	No resources found.		
Trade	Price controls Act (2013)	Price controls may deter investment and innovation by affecting profitability.	It is uncertain how price controls affect use of biodiversity.
Training	No resources found.		
Research and Development	The RITA (Innovation and Agricultural Transfer Network) was implemented in 2011. Its tasks relate to the improvement of the supply of fresh products with technical measures on fruit production (nursery, biological control), crops (fight against diseases, introduction of plant material). The RITA also works on the enhancement of the products of the territory around the Coconut Grove by the development of management plans, the	The RITA may improve productivity and profitability on agriculture, which would encourage investment in this sector.	The RITA would reduce land-intensive agriculture, which may lead to lower pressure on biodiversity.

Topic	Summary	Review 1: Potential effect of legislation on innovation and investment	Review 2: Potential effect on economic use of biodiversity
	improvement of the production processes of coconut oil, and the use of copra in the diet of pigs cake. ⁽⁴⁹⁾		
Standards	No resources found.		
Procurement	No resources found.		
Intellectual Property	No resources found.		

19. Conclusions

This report presents a review of the legislation present in the Pacific Region in the context of a number of key elements that can affect innovation activities (e.g. investment, trade, training), and comments on the potential effects on innovation and investment activities. Legislation on investment and innovation is heterogeneous across countries in the Pacific. The availability of particular bodies of legislation (e.g. R&D, procurement) is tied to the existence of large economic sectors, which tend to press governments and parliaments to set proper institutions or public guidelines. Thus, I found that for territories such as Pitcairn and Wallis et Futuna, which lack large economic infrastructure, there was limited availability of any type of legislation. In turn, economies such as Fiji, Papua New Guinea and New Caledonia, because of their proximity to larger markets, have sectors that are more developed and dynamic, and mainly based on natural resources. This in turn appears to have strongly influenced the legislation, which has developed to optimize the use of biodiversity and environmental resources.

Many countries in the Pacific have not been able to boost economic growth because of their insularity, isolation, and other socio-political issues such as civil wars. Consequently, innovation has not been a priority for development and policy-making. Thus, it is important to take into account that promoting innovation and sustainable investment may need to be a staged process, after the development of strong economic foundations in these countries.

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21. Appendix 1 – Google queries

Biodiversity + innovation + (name of country)

Environment + protection + (name of country)

Innovation + (name of country)

Intellectual + property + legislation + innovation + (name of country)

Investment + legislation + innovation + (name of country)

FaceNet + Project + (name of country)

Procurement + legislation + innovation + (name of country)

Relationship + innovation + legislation + (name of country)

Relationship + innovation + legislation + (name of country)

Research + Development + legislation + innovation + (name of country)

Trade + legislation + innovation + (name of country)

Training + legislation + innovation + (name of country)



Review of Legislation in the Pacific Region Affecting Innovation in Manufacturing Sector

Sociedade Portuguesa de Inovação - SPI

**Pacific-Europe Network
For Science, Technology and Innovation**



PACE-Net Plus is a project funded by the European Commission to reinforce EU-Pacific cooperation on Science, Technology & Innovation, and to promote the development of mutually beneficial partnerships. Grant Agreement no.: 609490

Executive Summary

Project and Client

This report was compiled for the PACE-Net Plus project, which is coordinated by the Institut de Recherche pour le Développement (IRD), and funded by the European Commission Seventh Framework programme.

Objective

Concerning the context of developing countries, policy efforts and regulations play an important and decisive role in promoting socioeconomic prosperity. The analysis of such regulation is important in order to understand if it works as a trigger or as a restrictive mechanism concerning innovation and economic development.

For countries in the Pacific Region, the review discusses the following:

- How legislation regulating investment, trade, training, research and development, intellectual property protection, standards, public procurement may impact the manufacturing sector.
- Collect relevant information on current policies and potential future innovation programs relating to innovation in the manufacturing sector of the countries in the region.

Methodology

The review of the legislation in the Pacific Region affecting innovation in manufacturing sector is conducted in two-folds:

1. A research on available online policies and regulations in the Pacific Countries concerning the thematic area of innovation in the manufacturing sector.
2. An analysis of the potential effect on innovation in the manufacturing sector concerning the author's expertise in policy development, economic and innovation matters.

Results

Legislation is highly heterogeneous across the countries in the Pacific. Countries with different backgrounds and economic development stages and structures presents variations in legislation bodies. The more structured and developed economy and more open and connected to international associations such as the Secretariat of the Pacific Community and Commonwealth of Nations, the more robust the regulatory body is, on the other hand, the more isolated and weak the economic system is, the less developed is the regulatory body.

Conclusions

The review of legislation in the Pacific Region presents the analysis of different elements that can affect innovation in manufacturing sector, namely investment, trade, training, research and development, standards, procurement and intellectual property, procurement and standards. There are differences in each country context and history that are directly related to the composition and strength of the regulatory body of each country.

Especially concerning Research & Development subject, there were only few countries with a report on that matter thus indicating the need to develop legislation and support to this as these have direct relation to the innovation process.

Moreover, considering specifically the manufacturing sector, a relative weakness of this type of regulation is accomplished, because of the small size or economic expression of the manufacturing sector and considering the islands particularities. It is possible to conclude that the manufacturing sector presents a field for improving and building regulation as well as of entering the field more easily for foreign investment matters.

Finally it is possible to accomplish the role and degree that different economic and regulatory dimensions are affected by regulation, thus composing a general roadmap for policy makers and local of foreign investors to know where to develop, act and where it is considered to be difficult to do business and to develop innovations.

22. Introduction

Concerning the context of developing countries, policy efforts and regulations play an important and decisive role in promoting socioeconomic prosperity. The analysis of such regulation is important in order to understand if it works as a trigger or as a restrictive mechanism concerning innovation and economic development. Moreover, on the one hand, regulation directly affects the innovative process while on the other hand, innovation has also a great impact on regulation⁹.

According to OECD¹⁰, there are three different types of regulations namely economic, social and administrative. The first, economic regulation aims at improving the efficiency of markets in delivering goods and services and can involve government restrictions on the private sector decisions regarding for instance prices, quantity, services, entry and exit in certain markets. The second type is social regulation and it focuses on protecting the well-being and social rights of society in general, encompassing subjects such as environment, health, and safety, among others. Finally the administrative regulation concerns general government management of the operation of public and private sectors, including taxes, health care, distribution systems, and intellectual property rights.

There are different domains where policies can affect innovation. In this section, a review of the legislation in the Pacific Region affecting innovation in the manufacturing sector will be presented.

Within the context of Objective 1 of Task 4.4 of the PACE-Net Plus project Description of Work (DoW), this review assesses:

- **Task 1:** Review on how the legislation regulating investment, trade, training, research and development, intellectual property protection, standards, public procurement may impact the innovation in the manufacturing sector in the Pacific Countries.
- **Task 2:** Collect relevant information on current policies and potential future innovation programs relating to innovation in the manufacturing sector of the countries in the region.

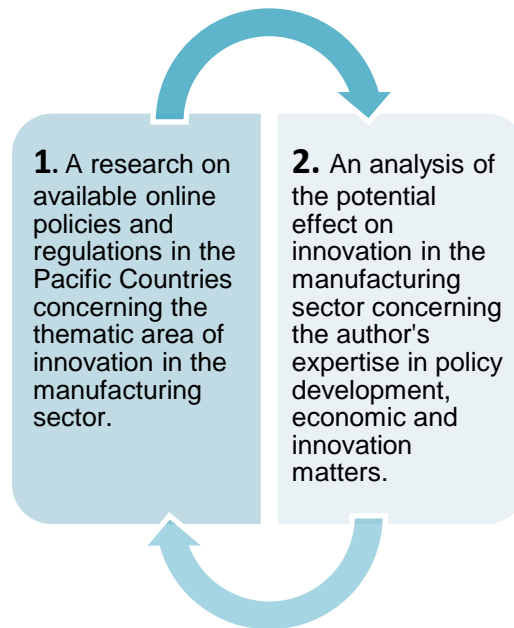
Section 2 of this report describes the methodology applied to this research and review process, Section 3 presents the results by Country, and Section 4 outlines the conclusions.

⁹ OECD (1997), The OECD Report on Regulatory Reform: Synthesis, Paris. <https://www.oecd.org/gov/regulatory-policy/2391768.pdf>

¹⁰ Ibid.

23. Methodology

The review of the legislation in the Pacific Region affecting innovation in manufacturing sector is conducted in two-folds:



The first methodological step is driven through extensive research on internet platforms, publications and Google browsing for different key words. The major sources are from the World Bank, the Organisation for Economic Cooperation and Development (OECD), World Trade Organisation (WTO), Commonwealth of Nations, government websites, to name a few. This report is not an exhaustive and complete guide of the existing regulation in the Pacific Countries, although it was developed to provide a body of reference and knowledge in order to understand the overall scenario of policy regulation affecting innovation in manufacturing sector in the Pacific Countries. This is useful for several matters, such as policy dialogue, policy development, policy reform, as well as for interested entrepreneurs in investing in the region.

The second step is designed to provide an expert analysis of such regulation and the main effects on the innovation in manufacturing sector in Pacific Countries. This is important to enrich the review in order to provide a qualified analysis of the effects, impacts and potential benefits or hazards of the existing regulation, thus providing a more fine grained final report and an overall analysis of the regulatory context in the region.

24. Review by Country

The analysis accomplishes the following Pacific Countries:

1. The Cook Islands
2. Federal States of Micronesia (FSM)
3. Fiji
4. French Polynesia
5. Kiribati
6. Marshal Islands
7. Nauru
8. New Caledonia
9. Niue
10. Palau
11. Papua New Guinea
12. Pitcairn
13. Samoa
14. Solomon Islands
15. Timor Leste
16. Tonga
17. Tuvalu
18. Vanuatu
19. Wallis and Futu

24.1 The Cook Islands

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
Investment	<p>The Development Investment Act does not allow any foreign enterprise (a business with more than one-third foreign ownership) to carry on business in the Cook Islands in any activity unless it is registered.</p> <p>Business Trade Investment Board aims to link local partners with an international network of buyers, investors and financing sources, and to increase economic growth and employment in the Cook Islands.¹¹</p>	<p>The registration is needed for foreign business to invest in Cook Islands and it must be made to the Cook Islands Development Investment Board. This may cause the delayed process due to administrative procedure.</p>
Trade	<p>A Custom Tariff Act has been adopted in 2012. A duty is to be paid on all goods imported into the Cook Islands either for home consumption or for manufacturing.¹²</p>	<p>The imported duty may effect on innovation in manufacturing sector. However, Trade Policy Framework (TPF) will promote and facilitate trade policy and investment regime.</p>
Training	<p>No resources found.</p>	
Research and Development	<p>No resources found.</p>	
Standards	<p>No resources found.</p>	
Procurement	<p>Public procurement in the Cook Islands is governed by Section 63 of the Ministry of Finance and Economic</p>	<p>This has a number of negative impacts including contributing to budget underspends, inability to undertake bulk procurements and unrealistic</p>

¹¹ <http://www.ck/invest.htm>

¹² http://www.mfem.gov.ck/images/Customs_Tariff_Act_2012.pdf

Management (MFEM) Act 1995- 96, which empowers MFEM to issue instructions to ministries and line agencies to ensure compliance with financial disciplines, and the Cook Islands Government Financial Policies and Procedures Manual (CIGFPPM).

On 25 October 2011, the Cook Islands Government published its Roadmap to improve the Public Financial Management Systems by June 2015. For procurement, it proposes the establishment of a centralised database of approved public tenders and approved tender waivers, review of the CIGFPPM to improve tender procedures by incorporating good practice (including the publication of successful tender awards in the local media as well as on the MFEM website), public complaints to be addressed by the Office of the Ombudsman, and a review of the entire procurement system and formal procedures for complaints and dispute resolution.¹³

timeframes for submission of tenders.

It is uncertain if the Roadmap has a positive effect on innovation in manufacturing sector.

Intellectual Property

A self-governing state with free association with New Zealand, the Cook Islands do not have an independent intellectual property system of their own.¹⁴

The IP system is under development, and IP system in Cook Islands is linked to New Zealand. The patent protection obtained in New Zealand extends to the Cook Islands.

¹³http://procurement.gov.ck/wp-content/plugins/ck_procurement/uploads/014509_9-08-2014_REVIEW%20OF%20GOVERNMENT%20OF%20THE%20COOK%20ISLANDS%20PROCUREMENT%20SYSTEM.pdf

¹⁴<http://www.spruson.com/countries/sp/cook-islands/>

Cook Islands intellectual property framework is under development. WORLD INTELLECTUAL Property Rights Organisation representatives will be conducting a scoping mission in the Cook Islands as part of its assistance in the development of an Intellectual Property Framework for the Cook Islands.¹⁵

¹⁵ <http://www.cookislandsnews.com/national/culture/item/49134-cook-islands-intellectual-property-framework-under-development>

24.2 Federated States of Micronesia (FSM)

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
Investment	<p>The individual states directly regulate all foreign investment, except in the areas of deep ocean fishing, banking, insurance, air travel, and international shipping, which are regulated at the federal level. FSM national and state governments use a traffic light system to regulate businesses, with red for prohibited, amber for restricted, and green for unrestricted. Industry classifications in this system vary from state to state. Thus, a venture planning to operate in more than one state must obtain separate permits in each state, and often follow different regulations as well.¹⁶</p> <ul style="list-style-type: none"> • Red: Arms manufacture, minting of currency, nuclear power, radioactive goods. • Amber: Increased scrutiny before approval for non-traditional banking services and insurance. • Green: Banking, fishing, air transport, international shipping. 	<p>The restrictions of the investment may limit the innovation on the industry. Moreover, SMEs are protected from foreign competition, and larger projects in a business sector already owned by public figures will face strong political opposition.</p>
	<p>There is no government agency tasked with developing an industrial strategy; however the 2023 Planning Committee, organized by the president, made recommendations for</p>	<p>Due to the separate permits in each state and different regulations, this may have negative effect on manufacturing.</p>

¹⁶ <http://www.state.gov/e/eb/rls/othr/ics/2015/241664.htm>

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
	<p>growth in all sectors without substantive measures to realize those goals. The largest company owned by the government, the FSM Petroleum Corporation (FSMPC), organized to fill the gasoline and diesel supply gap when Exxon/Mobil left the local market in 2007, is planning to expand into renewable energy technologies like solar power. It is also now responsible for the copra trade.¹⁷</p>	
Trade	<p>Competition Law: There is no law or agency governing competition in the FSM.</p> <p>The FSM also enjoys preferential market access to other Pacific Island Countries including New Zealand and Australia. Under the South Pacific Regional Trade Economic Cooperation Agreement (SPARTECA), a non-reciprocal trade agreement, Australia and New Zealand offer unrestricted duty-free access to virtually all products originating from developing member countries, provided certain rules of origin are met. Potential for duty-free access to Japan and other Asian markets also exists.¹⁸</p>	<p>No competition law could bring uncertain factor on business investment. However, several favourable policies attract foreign investors, including tax free on exports of products and re-exports of import products, low local taxes. These policies create favourable environment for the operation and growth of existing businesses.</p>

¹⁷ Ibid.

¹⁸ <http://www.fsmgov.org/info/fi.html>

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
Training	No resources found.	
Research and Development	No resources found.	
Standards	No resources found.	
Procurement	No resources found.	
Intellectual Property	<p>Intellectual property is nominally protected, the FSM is a member state of the World Intellectual Property Organization (WIPO), and the country is not listed on the USTR Special 301 Report for 2015. The Embassy has not received complaints from U.S. firms, but there are currently none active in the country except United Airlines and Matson Shipping. The only three U.S. chains present (Ace Hardware, True Value Hardware, and NAPA auto parts) are 100% locally owned franchises. However, a small CD/DVD pirating market exists that the government has taken no action against. U.S. corporations have taken out legal ads in the local paper to protect their trademarks, but the enforcement of IP has not been tested yet.¹⁹</p>	<p>The IP protection is structured in the FSM. To improve business environment, development of a comprehensive competition and intellectual property rights is needed.</p>

¹⁹ <http://www.state.gov/e/eb/rls/othr/ics/2015/241664.htm>

24.3 Fiji

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
	<p>The Fiji government welcomes foreign investment, assuring investors that Fiji is a safe place to do business. The return to parliamentary democracy and re-engagement of diplomatic relations with international partners has improved investor confidence.²⁰</p>	<p>Fiji government provides good investment environment, which attracts more investors to do business.</p>
Investment	<p>The Foreign Investment Act (FIA) and the 2009 Foreign Investment Regulation regulate foreign investment in Fiji. All businesses with a foreign-investment component in their ownership are required to register and obtain a Foreign Investment Registration Certificate (FIRC) from Investment Fiji.²¹</p>	<p>Registration is needed and it could enhance the investment actively. However, investors may encounter delays since they are required to obtain the necessary permits and licenses from other relevant authorities.</p>
	<p>The government is developing an Investment Approval Tracking System (IATS) to enable online applications for an FIRC and payment of the requisite application fee of USD 1,438 (FJD 2,875).²²</p>	<p>The delay for the registration may occur. It has still remained an issue for improving the economic activities.</p>
	<p>Investors are required to meet the requirements listed under the Foreign Investment Act (FIA) and the 2009 Foreign Investment Regulation, as well as ensure that the investment activity is</p>	<p>A number of investment activities are reserved for Fiji nationals or subject to restrictions. It is important for foreign investors to carefully study the check</p>

²⁰ <http://www.state.gov/documents/organization/241770.pdf>

²¹ *Ibid.*

²² *Ibid.*

	not under the Reserved and Restricted Activities list. ²³	list.
	In 2013, the government amended the Foreign Investment Decree with provisions to permit the forfeiture of foreign investments as well as significant fines for breaches in compliance of foreign investment registration conditions. ²⁴	The amendment could further dissuade the foreign investment and innovation activities.
	Fiji's consumer protection and competition law, the Fair Trading Decree 1992, was amended extensively in 1998; intellectual property rights, state-owned entities, and trade unions are exempts of the amendment process.	The Decree is to promote the interests of Consumers and the effective and efficient development of industry, trade or commerce through the encouragement of fair competition.
Trade	The key objectives of the Government are to diversify and expand the manufacturing sector by developing competitive, high value-added industries, including divesting public enterprises and reviewing tariffs annually to promote competitiveness. Fiji provides a wide range of incentives which include tax incentives (e.g. income tax and other tax and duty concessions) and non tax incentives (e.g. concessionary credit) to encourage investment and exports in the manufacturing sector. ²⁵	Due to the policy promoted by government, manufacturing sector would be benefited by incentives.
	The Government's recently adopted	NES aims to achieve sustainable growth

²³ Ibid.
²⁴ Ibid.
²⁵ https://www.wto.org/english/tratop_e/tpr_e/tp313_e.htm

	<p>National Export Strategy (NES) has identified certain priority sectors for export growth.</p>	<p>by encouraging exports, competitiveness, value adding, export diversification and in areas where there are competitive advantages.</p>
	<p>SPARTECA is a non-reciprocal and non-discriminatory trade agreement where Australia and New Zealand provides duty free access to all products originating in the Forum Island Countries</p> <p>(except sugar in the case of Australia). SPARTECA has played an integral part in Fiji's development and achievement of sustainable economic growth. The Agreement was signed in 1980 and implemented in 1981. Fiji continues to export under SPARTECA and has led to the growth of various sectors. From 2009 to 2014, the Fijian Textile, Clothing and Footwear (TCF) sector had benefitted under SPARTECA–TCF scheme which has since been replaced by the Developing Country Preference Scheme (DCPS) in 2015 in the case of Australia.²⁶</p>	<p>SPARTECA provides Fiji with broad, duty-free access to the markets of Australia and New Zealand for its exports, subject to certain exceptions and limitations.</p>
<p>Procurement</p>	<p>The functions of the Fiji Procurement Office are to regulate and administer the procurement of goods, services and works for the Government of Fiji. The Annual Procurement Plan for each year must be prepared by the Permanent</p>	<p>To against corruption, Fiji Procurement Office may also need to be questioned following the investigation by FICAC. This may increase the burden for the investment.</p>

²⁶[https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S006.aspx?Query=\(@Symbol=%20wt/tpr/g/*\)%20and%20\(\(%20@Title=%20fiji%20\)%20or%20\(@CountryConcerned=%20fiji\)\)&Language=ENGLISH&Context=FomerScriptedSearch&languageUIChanged=true#](https://docs.wto.org/dol2fe/Pages/FE_Search/FE_S_S006.aspx?Query=(@Symbol=%20wt/tpr/g/*)%20and%20((%20@Title=%20fiji%20)%20or%20(@CountryConcerned=%20fiji))&Language=ENGLISH&Context=FomerScriptedSearch&languageUIChanged=true#)

	Secretary of each Ministry or Department and submitted to the Fiji Procurement Office after the announcement of the Budget and in accordance with Finance Circulars issued by the Permanent Secretary for Finance.	
Training	No resources found.	
Research and Development	Foreign firms may participate in government financed or subsidized research as well as development programs, as technical and in-country capacities is limited. However, as such programs are usually financed by foreign development partners and donors, any conditions and limitations may be dependent on the source of project financing. ²⁷	The programs may help foreign firms to increase innovation depending on the focused areas.
Standards	Fiji is a member of various organizations that deal with standards and technical requirements, and uses international standards in order to facilitate trade. Workplace safety laws and regulations exist and safety standards apply equally to both citizens and foreign workers. ²⁸	Standardization complies with international references and it may enhance trade and reduce the limitation of administrative process.
Intellectual Property	The Copyright Act of 1999, Trademarks Act of 1933, Patents Act of 2003, Merchandise Marks Act of 1933, Industry Emblem Act of 1973, and the	These relevant regulations may help improve the protection of IP.

²⁷ <http://www.state.gov/documents/organization/241770.pdf>

²⁸ Ibid.

United Kingdom Designs Protection Act of 1936 operate to protect the intellectual property rights of creators in Fiji.²⁹

The National Intellectual Property Strategy of December 2011 aims to ensure the establishment of an IP system linked as directly as possible to the pace and characteristics of social development and economic growth. The strategy has implemented three key components: to initiate IP policies and legislative reforms; to modernize the administration of IP, and to strengthen the capacity for enforcement and regulation.³⁰

Copyright laws adhere to international laws, and while there are provisions for companies to register a trademark or petition for a patent in Fiji through the Office of the Attorney General, trademark and patent laws are outdated.³¹

²⁹ <https://journals.lib.byu.edu/spc/index.php/PacificStudies/article/view/35209>

³⁰ <https://journals.lib.byu.edu/spc/index.php/PacificStudies/article/view/35209>

³¹ <http://www.state.gov/documents/organization/241770.pdf>

24.4 French Polynesia

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
Investment	<p>On May 26, 2014, a law was adopted establishing the tax rules for large-scale investments in hotels and tourist businesses in French Polynesia. The law states that qualified investments will receive specified -tax benefits, including tax exemptions on imported goods needed for the construction, expansion, or renovation of hotels and other buildings for the tourist industry.</p> <p>The new legislation does not exempt businesses from some other taxes, including the airport tax, and does require them to pay a 2% tax, which will be collected by the customs administration.³²</p>	The lack of proper legislation may interrupt innovation.
Trade	No resources found.	
Training	<p>The University of French Polynesia has a diversified and wide course offering, adapted to the local labour market of French Polynesia. As of 2012, it numbers 3051 students plus 40 PhD candidates. Every university is a place for research. So it must ensure proper training. Teachers are also researchers. Faculty members are associate professors and full professors who have</p>	Although the several courses have been offering, training system for professors can be improved.

³² <http://www.loc.gov/law/foreign-news/article/french-polynesia-new-law-gives-tax-breaks-to-some-large-investors/>

each a specialty area.³³

**Research
and
Development**

Institute of Research for Development (IRD) diverse research, which ranges from archaeology to marine biology, has helped local communities preserve traditional practices. This research has in particular supported traditional know-how. The meeting value has been to facilitate the transfer of this know-how and, consequently, its re-appropriation as part of French Polynesia's heritage.³⁴

Standards

No resources found.

Procurement

No resources found.

**Intellectual
Property**

Since the organic law of 27 February 2004, French Polynesia, an overseas community of the French Republic, became autonomous which had an impact on the validity of IP rights in this territory.

It is considered as well-organized IP regulation. Interested parties would need to ask first for recognition of their IP titles in French Polynesia.

As from 3 March 2004, IP rights filed with the French INPI (National Institute of Industrial Property) did no longer cover French Polynesia. However, a recognition system of these IP rights in this territory has very recently been established. Initially, this system foresaw the following rules, depending on when the rights were filed.³⁵

³³ https://en.wikipedia.org/wiki/University_of_French_Polynesia#Teaching_and_Research

³⁴ <http://news.trust.org//item/20131014110524-taol4/?source=hppartner>

³⁵ <http://www.gevers.eu/en/news/2014-02-06/french-polynesia-system-recognition-ip-rights>

-
- Before 3 March 2004: automatic recognition
 - Between 3 March 2004 and 31 August 2013: optional recognition
 - As from 1 February 2014: claim of extension to French Polynesia at the time of filing or renewal.
-

24.5 Kiribati

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
Investment	<p>Kiribati has established the administrative infrastructure to facilitate investment, but it has to date not succeeded in attracting significant numbers of foreign investors. This is principally a reflection of the small size and limited development potential of the Kiribati economy. However, recently an increasing awareness of the need to development a viable private sector in an economy dominated by the government sector has led to a greater openness to foreign investments, and this is now a key goal of the National Development Strategy.³⁶</p>	<p>Foreign direct investment is not significant in Kiribati. However, the business environment is open to foreign investment after the National Development Strategy.</p>
	<p>All foreign investments are primarily regulated by the Foreign Investment Act, first passed in 1985 but amended repeatedly in the interim. Additional statutes applicable to foreign investment are the Foreign Investment Regulation 1986 and the Foreign Investment Policy 1996. Other regulations, such as the Protected Industries Ordinance, the Industrial Relations Code, the Native Lands Ordinance, the Fisheries Ordinance and the Companies Ordinance can have a bearing on certain types of</p>	<p>Investors may apply for duty exemptions on imported capital materials related to an investment project. There are no export duties.</p>

³⁶ <http://2001-2009.state.gov/e/eeb/ifd/2006/63585.htm>

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
	<p>investments.</p> <p>Foreigners seeking to invest in Kiribati must do so via an application and vetting process with the Foreign Investment Commission. The Commission evaluates applications according to provisions set out in the Foreign Investment Act.³⁷</p>	
Trade	<p>There are no restrictions on items for export except for marine products. Import duties are relatively low and exemptions might be provided for investment project items.</p>	<p>The trade policy may be able to enhance investment and innovation.</p>
Training	<p>No resources found.</p>	
Research and Development	<p>No resources found.</p>	
Standards	<p>Kiribati has no standards organisation, and is not a member of the ISO. Major regulators in the country include the Ministry of Finance and Economic Planning for the financial sector, Telecommunications Authority of Kiribati for the telecoms sector, the Public Utilities Board for infrastructure, Foreign Investment Commission for all FDI proposals and the Lands Management Division of</p>	<p>No standards may result in difficulty in following the regulation and it could also create more cost when applying international standards.</p>

³⁷ Ibid.

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
	the Ministry of Home Affairs and Rural Development regarding the purchasing of land. ³⁸	
Procurement	No resources found.	
Intellectual Property	Kiribati has limited copyright legislation, adopting the application of parts of the Copyright Act 1956 of England. Copyright Ordinance 1917 has little relevance, but it is the only law in Kiribati that recognises copyright in this jurisdiction. In Kiribati the sanction for copyright infringements is a fine.	IP protection is still weak. It may result in uncertainty for manufacturing investment.

³⁸ http://www.commonwealthofnations.org/sectors-kiribati/business/standards_and_regulation/

24.6 Marshall Islands

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
Investment	<p>The Government requires all non-citizen investments to obtain a Foreign Investment Business License (FIBL). A non-citizen investment is defined as having any level of its equity held by a non-citizen (i.e. foreign citizen, corporation, joint venture, partnership or other legal entity).</p> <p>In general, non-citizen investment from all countries is equally welcome and unrestricted in the Republic of the Marshall Islands. Certain sectors, however, have been reserved for citizen investment.</p>	<p>Marshall Islands offers a number of benefits to international manufacturing companies to set up production units locally. However, some sectors are still reserved for citizen. This may become the uncertain effect on the manufacturing.</p>
Trade	<p>The Marshall Islands is open to foreign trade. The country's trade policy is conducted by the COFA agreement under which the country has duty-free access to the U.S. market. Custom duties are not very high, and the country has very few trade barriers.³⁹</p>	<p>The Marshall Islands is open to foreign trade. The country has very few trade barriers. However, limited natural resources and infrastructure may increase the uncertainty of manufacturing investment.</p>
Training	<p>In 2000, ADB approved a loan for 8.1 million euros to improve skills training to provide well-trained workers needed for sustained economic and social development. This was to be achieved through an integrated national skills training</p>	<p>Labour market information system was set up by the project, in the absence of in-house staff capability at the National Training Council, it was not made fully operational.</p>

³⁹ <http://www.suddefrance-developpement.com/en/country-profiles/marshall-islands/exchange-3.html>

24.7 Nauru

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
	<p>system. The project consisted of four components covering development of a career awareness program, skills training improvement, enhanced skills training opportunities for women and youth, and institutional strengthening. Overall, the project was rated unsuccessful.⁴⁰</p>	
Research and Development	No resources found.	
Standards	No resources found.	
Procurement	<p>The law regulating government procurement is being repeatedly violated by nearly every ministry and agency of the government.⁴¹</p>	<p>Due to the insufficient enforcement of procurement, this may bring the corruption.</p>
Intellectual Property	<p>The Marshall Islands is not a member of the World Trade Organization, the World Intellectual Property Organization (WIPO), or any other international agreement on intellectual property rights. There is inadequate protection for intellectual property, patents, copyrights, and trademarks. The only intellectual property-related legislation relates to locally produced music recordings.⁴²</p>	<p>Lack of IP protection results in investment difficulty.</p>

⁴⁰ <http://www.adb.org/documents/marshall-islands-skills-training-and-vocational-education-project>

⁴¹ <http://www.radioaustralia.net.au/international/radio/program/pacific-beat/procurement-laws-being-ignored-in-marshall-islands/1204138>

⁴² <http://www.state.gov/e/eb/rls/othr/ics/2012/191946.htm>

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
Investment	Nauru's economy faces significant constraints common to other island atoll states. These include its small size, remoteness, a harsh natural environment with infertile soils, limited exploitable resources and the need to create jobs and promote growth for an expanding population. ⁴³	It may be seen as challenges for innovation as there are many limitations for doing business in Nauru.
Trade	No resources found.	
Training	No resources found.	
Research and Development	No resources found.	
Standards	Given the undeveloped private sector in Nauru, there are no regulatory institutions outside government departments such as the Ministry of Telecommunications and Ministry of Finance, and the national agency Nauru's Marine and Fisheries Resources Authority. Nauru is not a member of the International Organisation for Standardisation so there is no national standards bureau. The Ministry of Finance is a good contact point for inquiries regarding	Due to the insufficient national standard, it may harm the business environment.

⁴³ <http://dfat.gov.au/geo/nauru/pages/nauru-country-brief.aspx>

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
	standards, regulations and certification in Nauru. ⁴⁴	
Procurement	No resources found.	
Intellectual Property	<p data-bbox="403 573 890 1167">Patents Registration Act 1973 describes fully the invention in respect of which application is made in the country of principal registration for grant of a patent and the method by which it is to be performed. It discloses the best method of performing that invention which is known to the applicant and for which he claims to be entitled to protection; and ends with a claim or claims defining the scope of that invention.⁴⁵</p> <p data-bbox="403 1178 890 1433">A Nauruan patent application can be filed from an Australian, US or UK application or a granted Australian, US or UK patent (within three years of grant of that patent).⁴⁶</p>	<p data-bbox="898 573 1362 819">It is unclear about how does IP framework affect innovation. However, investors can require patent from Australian, US or UK, which are considered transparent legal situation.</p>

⁴⁴ http://www.commonwealthofnations.org/sectors-nauru/business/standards_and_regulation/

⁴⁵ http://www.wipo.int/wipolex/en/text.jsp?file_id=200634

⁴⁶ <http://www.spruson.com/countries/sp/nauru/>

24.8 New Caledonia

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
Investment	<p>Each Province has semi-State owned/semi-private companies (Societe d'Economie Mixte) (SEMs) which promote investments and economic development within their respective Province.⁴⁷</p>	<p>Codes define the general mechanisms and application of formalities within each assistance regime. Various codes may increase the administrative difficulty and delays.</p>
	<p>In the Southern Province: Promo Sud</p> <p>Promo Sud mainly operates to finance projects for the tourism industry as well as the fishing and aquaculture, innovative technologies and mining industries.</p> <p>In the Northern Province: Sofinor</p> <p>Sofinor favours the financing of projects within the mining sector, the hotel industry and aquaculture.</p> <p>In the Loyalty Islands Province: Sodil</p> <p>Sodil finances projects in the transport, hotel, fishing and aquaculture industries.</p>	<p>ADECAL was founded by the public authorities and receives support from both public and private institutions. As part of its missions, ADECAL acts in a number of capacities, including as an interface, a consultative body and coordination body, to accompany new actions and projects that benefit New</p> <p>ADECAL can provide information on exportable goods and services, international investor canvassing and external markets exploration. It may help high-tech industrial research and development facilities to stimulate innovative projects and streams.</p>

⁴⁷ http://www.adecal.nc/pdf/New_Caledonia_Investment_Guide.pdf

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
	<p>Caledonia. ADECAL receives the majority of its funding from the French Government, the Government of New Caledonia and the three Provinces of New Caledonia.⁴⁸</p>	
	<p>New Caledonian Institute of Participation (Institut Calédonien de Participation (ICAP) is a New Caledonia-wide development institution, providing benefits to both the mainland and the islands. The purpose of ICAP is to promote projects for the restoration of an economic balance between Nouméa and the rest of New Caledonia.⁴⁹</p>	<p>ICAP mainly operates in the production sector or the service sector, but it is not clear about the effect on innovation and investment.</p>
Trade	No resources found.	
Training	No resources found.	
Research and Development	<p>New Caledonia's strategy for Innovation is a public policy aimed at contributing to the diversification of our economy and to its integration in its Pacific environment. On 12 January 2016, the government of New Caledonia adopted its Local Innovation Strategy. The fruit of co-constructed work by institutions, researchers and economic players, this document presents a public policy</p>	<p>Several areas of specialisation have been identified, including energy and eco-construction, primary transformation sector, conservation and management of the environment and natural resources, mining and metallurgy. It does not point out the manufacturing, but it could have positive impact on sustainable development.</p>

⁴⁸ Ibid.

⁴⁹ Ibid.

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
	<p>framework whose main objective is to assist in the diversification of our economy in order to move out of the “all nickel” economy.⁵⁰</p>	
	<p>The IRD (Institut de Recherche pour le Développement) is a French research organisation, original and unique on the European development research scene.</p>	
	<p>Field Work and Research course, which includes an intensive in-country component, explores aspects of New Caledonian culture, particularly through a study of recent imaginative literature. New Caledonia has undergone considerable change in recent years, emerging from near civil war in the 1980s to a consensus for constitutional transition.⁵¹</p>	<p>The course gives students experience of cultural diversity through the study of a French-speaking Pacific culture. It aims to develop students' capacity to be autonomous observers of a foreign culture and to develop their research skills.</p>
Standards	No resources found.	
Procurement	No resources found.	
Intellectual Property	<p>After shifting certain legislative functions from mainland France to New Caledonia on July 1, 2013, New Caledonia is from now competent regarding the protection of intellectual property rights on its territory.</p>	<p>New Caledonia authorities have a partnership with the French mainland Office (INPI) for handling the legal formalities of protection of intellectual property rights on its territory. It is expected that the innovation and</p>

⁵⁰ http://octa-innovation.eu/new_caledonia_innovation_strategy/

⁵¹ <http://www.anu.edu.au/students/global-opportunities/new-caledonia-field-work-and-research>

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
	<p>On August 27, 2013, the government of New Caledonia adopted a draft law on the temporary protection of IP rights. The definite local IP Law applicable in New Caledonia is expected for July 1, 2014 at the latest.⁵²</p>	<p>investment will be improved.</p>

⁵² https://www.country-index.com/newsletter_update.aspx?ID=613

24.9 Niue

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
	Based on DEVELOPMENT INVESTMENT ACT 1992, foreign enterprise need to register before it can carry out business on Niue. Apply and register through Cabinet ⁵³	Registration may require expenditure on time and cost of investment.
Investment	<p>Investment Code guarantees to foreign enterprises registered pursuant to Development Act 1992.</p> <p>There shall be no compulsory acquisition or expropriation of the property of any enterprise in Niue except:⁵⁴</p> <ul style="list-style-type: none"> • In accordance with due process of law • For a public purpose defined by law • For payment of compensation in a manner prescribed by law 	The purpose of the Code shall be to inform potential investors as well as persons or bodies responsible for planning, promoting or encouraging investment in Niue of the priorities and reservations attached by Cabinet to investment in particular activities.
Trade	INCOME TAX ACT 1961 states contribution to economic development. ⁵⁵	Tax exemptions can bring more investment and innovation from the investors.
Training	No resources found.	
Research and Development	No resources found.	

⁵³ http://www.invesniue.com/index.php?option=com_content&view=article&id=67&Itemid=80

⁵⁴ Ibid.

⁵⁵ Ibid.

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
Standards	No resources found.	
Procurement	No resources found.	
Intellectual Property	<p>Niue is member of the World Intellectual Property Organization convention only.</p> <p>Niue has no independent intellectual property system. Instead, New Zealand patents automatically extend to cover this country.⁵⁶</p>	<p>The legal structure for IP is developing. The IP protection seems immature and can only rely on New Zealand.</p>

⁵⁶ <http://www.spruson.com/countries/sp/niue/>

24.10 Palau

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
Investment	<p>The 1991 Foreign Investment Act provides the approval-process guidance for foreign investment. In late 2010 the Government of Palau revised its implementing regulations, changing several key requirements in a bid to encourage more foreign investment.⁵⁷</p>	<p>Promoted by new regulations, it is expected that the investment act can further improve the foreign investment.</p>
	<p>The 2011 Foreign Investment Regulations detail the significant number of restricted and semi-restricted sectors. There are no specific financial incentives extended to foreign investors.</p>	<p>Several sectors are restricted and reserved for Palauan, which could limit the innovation.</p>
	<p>According to Palauan law, the following businesses are solely reserved for Palauan citizens:</p> <ul style="list-style-type: none">(i) wholesale or retail sale of goods;(ii) all land transportation including bus services, taxi services and car rentals;(iii) tour guides, fishing guides, diving guides and any other form of water transportation services;(iv) travel and tour agencies; and(v) commercial fishing for	

⁵⁷ <http://www.state.gov/e/eb/rls/othr/ics/2013/204586.htm>

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
	other than highly migratory species ⁵⁸	
Trade	Palau made trading across borders easier by improving the system for calculating customs duties and thereby reducing customs clearance time. ⁵⁹	It is expected that trade facilitation could bring more foreign investment.
Training	No resources found.	
Research and Development	No resources found.	
Standards	No resources found.	
Procurement	Palau has enacted the Procurement Law and Regulations, which apply to the procurement of goods and services by the national and state governments and by most agencies of the national government. Semiautonomous agencies set their own procurement policies, which must at least meet the standards of the Procurement Law and Regulations. Copies of the Government's public procurement policy can be obtained from procurement offices, libraries, and	As Palau receives various grants from the United States, these grants contain conditions requiring compliance with U.S. procurement regulations. It is expected that the investment and innovation are encouraged. However, the impact of procurement law on manufacturing is not clear.

⁵⁸ Ibid.

⁵⁹ <http://www.doingbusiness.org/Reforms/Overview/Economy/palau>

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
	<p>other government offices upon request.⁶⁰</p>	
	<p>Palau has a centralized procurement system in which all procurements are processed through the Ministry of Finance. The Procurement Law designates procurement officers at the national and state levels to oversee procurement. Also involved are the attorney general and his or her state counterparts, who must certify the form and legality of all contracts.⁶¹</p>	<p>Centralized procurement system may help addressing bid protests, appeals, legal action for unfair practices, and recovery of government funds.</p>
	<p>To reduce corruption by increasing participation in procurement, the Procurement Law requires procurement opportunities to be announced in a newspaper of general circulation in Palau. The procurement opportunities are also advertised on all local radio and television stations and posted at designated public buildings. They may be further advertised in a foreign newspaper if the procurement officer decides that publication would be beneficial. In addition, each procurement officer must notify all eligible contractors of every procurement opportunity.⁶²</p>	<p>Palau has a comprehensive government procurement process defined in law, which may help procurement to be transparent.</p>

⁶⁰ <https://www.oecd.org/site/adboecdanti-corruptioninitiative/37575976.pdf>

⁶¹ <https://www.oecd.org/site/adboecdanti-corruptioninitiative/37575976.pdf>

⁶² Ibid.

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
Standards	The Code of Ethics Act addresses conflict of interest, related party matters, collusion, bribery, other procurement-related irregularities, and provides penalties for infraction. ⁶³	Code of Ethics Act aims to anti-corruption and to increase the transparency. This might further improve the intention of investment and innovation. d
Intellectual Property	<p>Palau is not a member of the World Intellectual Property Organization, the WTO, or any other organization or convention protecting intellectual property rights.</p> <p>There is currently no mechanism by which patent protection may be obtained in Palau.⁶⁴ Trade mark laws have not been enacted in Palau and it is therefore not possible to register a trade mark in this jurisdiction. The only way to claim and assert rights in a trade mark is through common law and is based on use of the mark, the public's awareness of the mark and the goods/services which it covers.⁶⁵</p>	Insufficient IP protection law may have negative effect on the investment and innovation.

⁶³ <https://www.oecd.org/site/adboecdanti-corruptioninitiative/policyanalysis/35054385.pdf>

⁶⁴ <http://www.cullens.com.au/general/patent-protection-in-the-pacific/>

⁶⁵ <http://www.spruson.com/countries/sp/palau/>

24.11 Papua New Guinea

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
	<p>There are various incentives for investors who intend to explore business opportunities. These incentives have the purpose to support their decision-making towards a given investment. The government has direct and indirect taxation based incentives for large and small investments.⁶⁶</p>	<p>Incentives are intended to support decision-making in terms of investment. Government applies taxation to these investments. The corporate tax rate is 30% for resident corporation. The rate for non-resident corporation (including a branch of a foreign company) is 48%</p>
Investment	<p>There is a facilitated environment regarding foreign investments in Papua New Guinea, which is regulated and monitored by the Investment Promotion Act (IPA).</p>	
	<p>The Multilateral Investment Guarantee Agency's (MIGA) major responsibility is promotion of investment for economic development in member countries through:</p> <ul style="list-style-type: none"> • Losses caused by non-commercial risks are covered for foreign investors (risks that are associated with political uncertainty or civil wars; non economical unpredictability); • Advisory services to member countries to avail them in creating a responsive investment 	<p>Incentives seem appropriate and realistic, contributing to an increase in demand for investment in Papua New Guinea.</p>

⁶⁶ <http://www.ipa.gov.pg/agriculture/manufacturing/>

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
	<p>environment and information base to encourage flow of capital.</p>	
	<p>Recently, the Government of Papua New Guinea has made a strong effort to create policies which will lead to the development of a structured domestic production base to replace dependence on the non-renewable resource industries such as mining and fossil fuels.⁶⁷</p>	<p>Mining would not benefit with these policies, but regarding other industries in the manufacturing sector, these measures can be positive and an incentive. Industries who are increasingly relying in renewable energies will benefit.</p>
	<p>The manufacturing industry has been recommended to embrace some measures including reduced costs and efficient techniques on the factory floor and within management, to be aware and prepared against foreign competition.⁶⁸</p>	<p>These decisions were made in order to become a serious competitor in an increasingly competitive market.</p>
Trade	<p>Papua New Guinea is a member of the Asia-Pacific Economic Cooperation (APEC) and the World Trade Organisation (WTO), granting therefore access to various agreements. Most of these matters are related to trade and investment liberalisation.⁶⁹</p>	<p>A wider access to foreign markets is in most cases an advantage, leading to different types of consumers and allowing other cultures to experience local products.</p>
	<p>In order to ensure a faster and efficient</p>	

⁶⁷ <http://www.ipa.gov.pg/why-png/>

⁶⁸ Ibid

⁶⁹ <http://www.ipa.gov.pg/why-png/investment-incentives/>

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
	industrial development accelerates, the Government is reviewing the trade and tariff policies.	
	Regarding the manufacturing sector, the level of skills is being given special attention. Long-term training programmes are being carried out and close to completion in most organizations	Training is an important part of the learning process. Enables the professionals to acquire skills and develop skills already acquired
Training	In terms of agriculture, there is training available for production and marketing of fresh vegetables, manufacturing cocoa and coconut driers using appropriate technology and fertilizer application for English potatoes. ⁷⁰	Specialization in these tasks reinforces the quality of the products, as well as an acceleration of the whole process
Research and Development	<p>There are some government financed and subsidized programs for research and development available to foreign firms:</p> <ul style="list-style-type: none"> • Contribution scheme: Investment Promotion Authority is available to assist the feasibility studies by contributing up to half the cost of an exercise; • Infrastructure: The government can provide or finance 	The increased availability of incentives may increase investment and innovation. It is not clear if these funds include private initiatives.

⁷⁰ https://www.wto.org/english/tratop_e/tpr_e/tpr_e.htm

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
	<p>infrastructure needed for a particular project in exchange for a charge per use;</p> <ul style="list-style-type: none"> Support to Papua New Guineans: The government provides numerous forms of financial assistance to Papua New Guineans for the establishment of small-scale business operations, through the Small Business Development Division of the Department of Trade and Industry. 	
Standards	<p>The National Institute of Standards and Industrial Technology (NISIT) is the lead body, a government agency that is responsible for developing, reviewing, and publishing PNG National Standards (NISIT Act, 1993).⁷¹</p> <p>Besides NISIT, the main regulators of the country also include the Bank of Papua New Guinea, the Securities Commission of Papua New Guinea (SCPNG) and the Business Registration & Regulation Division (BRRD) of the Investment Promotion Authority.</p>	<p>There appears to be a clear definition of rules and agencies, which may reduce uncertainty on standardization.</p>
Procurement	<p>PNG has centralized national government procurement under the</p>	<p>Centralization may help in coordinating investment and reducing</p>

⁷¹ Ibid

24.12 Pitcairn

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
	Ministry of Treasury and Finance.	transaction costs. This can ensure transparency thus encouraging investor to bid for government procurement
	The Intellectual Property Office of Papua New Guinea (IPOPNG) protects and promotes intellectual property laws in Papua New. PNP has embraced the Patents and Industrial Designs Act 2000, Copyrights and Neighbouring Acts 2000, and the Trade Marks Act, which has been in force for the past twenty five years. ⁷²	The IP institution still has space for improvement, especially in terms of effectiveness. It is not clear if a correct enforcement has been made towards this.
Intellectual Property	<p>In the absence of an effective IP system, Papua New Guineans have not been able to protect their intellectual property and obtain maximum benefits from creativity and innovative activities. Therefore the great need to introduce and enact appropriate intellectual property laws has been existing for a long time.⁷³</p> <p>Government of PNG through its Intellectual Property Office (IPOPNG) has committed itself during the last 10 years in building an intellectual property system for the country.</p>	Companies are vulnerable towards bigger enterprises due to the lack of IP protection. The ideas and methodologies can be used without any consent.

⁷² ADB/PIFS Technical-Vocational Skills Development in Papua New Guinea, June 2007

⁷³ ADB/PIFS Technical-Vocational Skills Development in Papua New Guinea, June 2007

No Resources Found

24.13 Samoa

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
Investment	<p>For investors, Samoa offers a trained and industrially adaptable work force that communicates well in English; competitive wage rates; free repatriation of capital and profits; well-developed, reasonably priced, transport infrastructure, telecommunications, water supply, electricity; industry incentive packages for tourism and manufacturing sectors; a stable financial environment with a single-digit inflation, a balanced budget and international reserves; relatively low corporate & income taxes; and a pleasant and safe lifestyle.⁷⁴</p>	<p>These policies certainly help the manufacturing sector, turning the sector more appealing for the foreign investors but also being very interesting in terms of a domestic approach. Local businesses can benefit from these measures to improve their core functions.</p>
	<p>Foreign investment policies and regulations are controlled by the Ministry of Commerce, Industry and Labor (MCIL). In order to start a branch of an existing corporation in Samoa, it is mandatory to register the company for about €134⁷⁵. All businesses with foreign shareholdings must obtain and hold valid foreign investment registration certificates.</p>	<p>The existing bureaucracy seems transparent and straight forward, having the procedure well delineated, step by step.</p>

⁷⁴ <http://www.state.gov/documents/organization/241935.pdf>

⁷⁵ Rate as of 2/8/2016 (USD 1 = €0,89523)

The application fee is €48 and can be obtained by contacting MCIL. Certificates are valid until the business terminates activity. If a business does not commence activity within 2 years after a certificate is issued, the certificate becomes invalid. Upon approval of the Foreign Investor Certificate (FIC), the foreign investor is required to apply for a business license before operating in Samoa. Fees range from €90-224, depending on the type of business. MCIL also processes company registrations. The fee to register an overseas company is about €134. For a company to qualify as a “Samoan company,” the majority of share-holders must be Samoan.

It is clear that these policies represent an advantage for local businesses because for a company to qualify as a “Samoan company,” the majority of share-holders must be Samoan.

The Industry Development and Investment Promotion Division (IDIPD) under MCIL administers several schemes designed to provide assistance to businesses that produces for overseas and domestic markets, enhancing development of domestic businesses as well as property developers in the tourism industry, and also businesses in the private sector.

Trade

The Samoa Association of Manufacturers and Exporters is a trade association that was established in 1981 with a view to providing the following for Samoa's manufacturer and

This trade association will represent at their best the manufacturing sector and the companies that are within the industry. In addition, they also provide actions of skills improvement and marketing

	<p>exporters:</p> <ul style="list-style-type: none"> • Representation of Members' interests before Government • Dissemination of information and training (Samoa Qualifications Authority accredited to provide Hazard Analysis and Critical Control and International Organization for Standardization training in Samoa) • Organization of trade fairs • Skills development and marketing enhancement.⁷⁶ 	<p>competences.</p>
Training	<p>The Samoa In Country Training Program (SICTP) has been created in 1991, with funding from the New Zealand and Australian Governments as well as some support from the Government of Samoa. SICTP has provided in the last years capacity building support for human resources from the public, private and civil society sectors through the coordination and implementation of training's in both generic and technical skills, conducted by local and foreign trainers.⁷⁷</p>	<p>May increase labour qualification, leading to potential innovation in the manufacturing sector.</p>
Research and Development	<p>The Legal and Research Office (LRO) was established under the Samoa Parliamentary Strengthening Project (SPSP) and subsequently mandated in</p>	<p>Policies will guarantee a better understanding and performance of practices in the manufacturing sector, being more efficient and more innovative as possible. Companies</p>

⁷⁶ <http://www.same.org.ws/>
⁷⁷ <http://www.samoaictp.ws/>

the Office of the Clerk of the Legislative Assembly (OCLA) Corporate Plan 2013-2015. The LRO's functions are outlined as follows:

- the drafting of legislation and provision of bill drafting and amendment advice;
- the provision of secretarial support to committees for the review of Standing Orders, Code of Ethics, Parliamentary Practice and other manuals;
- the development of mechanisms to improve Parliament oversight of Government Ministries and Corporations and their programs;
- the provision of skills development training for Committee Secretariat staff for bill drafting/amendments, legal analysis and research and report writing skills;
- the development of standards and mechanisms to measure performance against national goals.

Standards No resources found

Procurement In Samoa, the procurement of goods, construction and services is governed by the Public Finance Management Act. The Government Tenders Board regulates public procurement. As and when requested by the Financial Secretary, the Board may render reports

Legislation may increase visibility of some economic activities, providing an instrument to follow-up with company actions that are not implementing the right and legal procedures.

on the purchase of stores and services. It also has the power to call tenders for government purchases. It can accept tenders provided that is in the best interest of the government. In carrying out its functions, the Board is bound by the provisions of the Constitution, the Public Finance Management Act and the Treasury Regulations. The Board acts as the central procurement authority for all Government Departments in Samoa.⁷⁸

The Board has no power to co-opt additional members. The Board consists only of public servants.

This state of affairs does not reflect transparency in the conduct of the procurement proceedings.

Intellectual Property

Samoa's legal protection is provided by the Copyright Act 1998, amended in 2012 by the Copyright Amendment Act 2011 and the Intellectual Property Act 2011, which came into effect on 1st October 2012. The new suite of legislation repealed the former IP laws: Industrial Designs Act 1972, Trade Marks Act 1972 and Patents Act 1972.

To protect and safeguard intellectual property in Samoa, the Copyrights Act 1998 applies to work including books, pamphlets, articles, computer programs, speeches, lectures, musical works, audiovisual, works of architecture etc. This can lead to the protection of innovative discoveries, making it difficult for foreigners to use the ideas and techniques protected under Samoa's IP policies.

The Intellectual Property Act 2011 and the Copyright Amendment Act 2011 were two of the outcomes of a Project to modernize Samoa's IP laws, which

⁷⁸ <https://www.usp.ac.fj/index.php?id=13294>

started in February 2011. The Project was conducted in the context of Samoa's access to the World Trade Organisation (WTO), with the aim of implementing the minimum standards required by the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (or TRIPS Agreement).⁷⁹

⁷⁹ <http://www.state.gov/e/eb/rls/othr/ics/2015/241723.htm>

24.14 Solomon Islands

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
Investment	<p>The previous Foreign Investment Act and regulations did not create a favorable environment for foreign direct investment: the procedures for approval were lengthy and lacked transparency, and there was a long list of activities reserved for nationals. The objective was to facilitate and encourage foreign investment, and from that resulted the adoption of a new Foreign Investment Act in 2005.⁸⁰</p>	
	<p>Foreign Investment Act 2005 - The Solomon Islands strengthened access to credit by passing a new secured transactions law, which broadens the range of assets that can be used as collateral, allows a general description of debts and obligations secured by collateral, permits out of court enforcement and creates a collateral registry.⁸¹</p>	<p>The new legislation may have reduced transaction costs regarding setting up companies based on foreign investment, as well as reduced administrative expenses. Solomon Islands also made registering property faster by separating the land registry from the business and movable property registries. This could be positive for the agriculture lands of production. Although there are no specific policies for domestic investment, the National Government is seriously considering investment projects that will benefit the rural populace. Projects that have a wider spin off benefits will be pursued,</p>

⁸⁰ http://www.commerce.gov.sb/Divisions/Investment/downloads/Foreign_Investment_Act_2005.pdf

⁸¹ <http://www.commerce.gov.sb/Divisions/Investment/>

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
Trade	<p>Solomon Islands is a member of the Melanesian Spearhead Group, which establishes the MSG Trade Agreement - a sub-regional trade agreement eliminating tariffs on trade among its members⁸². Solomon Islands has a duty-free access to Australia and New Zealand markets under the South Pacific Agreement on Regional Trade and Economic Co-operation (SPARTECA).⁸³</p>	<p>supported and encouraged.</p>
	<p>As a least developed country, Solomon Islands enjoys certain preferential treatments with the larger and developed economies, including the European Union (EU). Solomon Islands are currently jointly negotiating an Economic Partnership Agreement with the EU.</p>	<p>EU relations will be beneficial for the manufacturing sector, enabling to exchange knowledge and relevant products. Machinery and equipment can be acquired in order to become more efficient operational base.</p>
Training	No resources found.	
Research and Development	No resources found.	
Standards	Solomon Islands have limited institutional capacity to adopt and enforce technical regulations and	Due to the uncertainty in the policies, the standards are not clear and may alter at the impulse of political

⁸² Members of MSG - Papua New Guinea, Fiji, Vanuatu, New Caledonia and Solomon Islands

⁸³ <http://www.solomons.org.tw/english/trade.php>

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
	<p>conformity assessment procedures. It did not adopt legislation to implement the Agreement on Technical Barriers to Trade of the World Trade Organization, nor has it made any notifications under that Agreement. It does not have a designated entity responsible for answering enquiries about technical regulations, conformity assessment procedures, and standards.</p>	<p>circumstances during the course of setting up investment.</p> <p>Lack of responsible entities may lead to an uninformed environment regarding regulations in manufacturing sector.</p>
	<p>The Customs and Excise Act specifies certain technical regulations applicable on imports. There are no competent agencies to assess conformity with Solomon Islands technical regulations. There are no standardizing bodies in Solomon Islands.⁸⁴</p>	
Procurement	<p>The Solomon Islands does not have any separate legal framework regulating the policies, procedures and documentation for procurement of public goods, works and services. The current legal instrument is one chapter of wider Financial Instructions (FIs) on the overall financial management of public funds. A key internal control is the stipulation of monetary thresholds and approval authorities</p>	

⁸⁴ https://www.wto.org/english/tratop_e/tpr_e/tpr_e.htm

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
	<p>which either quotations or open tender should be used. The Operational Procurement Review (OPR) found that, while the FIs provide the basic requirements for procurement, the operational detail necessary for effective implementation is lacking.⁸⁵</p>	
	<p>While the Ministry of Finance and Treasury (MoF) is responsible for issuance of the FIs and it has a procurement unit, there is no body with sole and comprehensive responsibility for public procurement encompassing (i) legal and regulatory policy and its interpretation, (ii) documentation in the form of national standards , (iii) development of capacity-building programs, (iv) monitoring of procurement operations, and (v) development and oversight of implementation of technology to support procurement.</p>	<p>This lack of procurement can lead to a decrease of confidence of the population in the government. Previous bad experiences such as non-payment and irregularities in the procurement process can be one of the causes also.</p>
Intellectual Property	<p>Solomon Islands is not a member of the World Intellectual Property Organization, neither is it a signatory to any international intellectual property rights treaty.⁸⁶</p>	

⁸⁵ http://www-wds.worldbank.org/external/default/WDSCContentServer/WDSP/IB/2012/08/07/000333037_20120807000114/Rendered/PDF/706680ESW0P10401C0disclosed08030120.pdf

⁸⁶ <http://www.wipo.int/members/en/#19>

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
	<p>Solomon Islands has its own copyright legislation which is not modeled on the laws of the colonial powers.</p> <p>The Copyright Act 1911(of the United Kingdom) was repealed by this Copyright Act 1987 which forms part of the law of Solomon Islands to make new provisions in respect of Copyright and related matters.⁸⁷</p> <p>Solomon Islands has Copyright legislation for literacy, dramatic, musical and artistic works, sound recordings, cinematograph films and broadcasts and published editions of works.</p>	<p>It is uncertain in which way this can promote and foster innovation in the manufacturing sector.</p>

⁸⁷ http://www.wipo.int/wipolex/en/text.jsp?file_id=198217

24.15 Timor-Leste

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
Investment	<p>To qualify as a foreign investment, a direct investment must meet certain conditions including: the transfer of freely convertible currency from overseas to a financial institution legally established in Timor-Leste, or the importation of goods and services purchased using overseas financial resources; the incorporation of a business or purchase of national assets; and a total value of transferred resources to exceed 89.450€. Timor-Leste does not impose performance requirements such as local partnering, gradual nationalization, domestic marketing obligation, domestic sourcing of inputs or technology transfer. An entity with foreign investor status may be 100-percent foreign equity. The investment laws do not impose restrictions on the sale of investments by a foreign investor⁸⁸.</p>	<p>Foreign investment is allowed and may be 100% foreign equity without having local partners or being registered in the country. This is positive for attracting foreign investment and consequently possible innovations.</p>
	<p>The Government of Timor-Leste offers investment incentives, including tax credits and import duty exemptions. In general, for domestic investments over 44.724€ and foreign investments over 1.3 million euros, investors benefit from five years of exemption from income</p>	<p>Timor-Leste offers tax incentives to international companies (including manufacturing) to set up production units locally which represents a positive environment for innovation.</p>

⁸⁸ <http://www.state.gov/e/eb/rls/othr/ics/2012/191249.htm>

tax, sales tax, and services tax, as well as exemptions of customs duties for goods and equipment used in the construction or management of the investment. The period of exemption is extended to eight years for investments in Rural Zones (outside of the cities of Dili and Baucau) and to ten years for investments in Peripheral Zones (the exclave of Oecusse and the island of Atauro). Even after these periods have expired, investors may deduct from their tax obligations up to 100 percent of the costs of constructing or repairing transportation infrastructure.

The Private Investment Law guarantees the right of investors to contract foreign workers, in accordance with relevant immigration regulations⁸⁹.

Foreign and domestic entities may establish and own business enterprises and engage in remunerative activity. Private entities may establish, acquire, and dispose of interests in business enterprises⁹⁰.

The establishment of foreign business (especially concerning manufacturing sector industry) is legal. This represents an attempt to assure equal conditions to the development of business ventures and may cause higher degree of competition, thus positively affecting innovation.

In September 2011, Parliament approved a new Private Investment Law. The new law specifies the conditions and incentives for both

International investors have full equality of rights. Although they have to acquire the Investor's Certificate that costs 1.788€ for foreign investors.

⁸⁹ Ibid.

⁹⁰ Ibid.

domestic and foreign investment, and guarantees full equality for international investors. All investors, both foreign and domestic, are required to obtain an Investor's Certificate, which costs 447€ for domestic investors and 1.788€ for foreign investors. The International Finance Corporation is working with the Government of Timor-Leste to simplify business registration⁹¹. Specially concerning credit facilities and assessment for small business owners and people in rural areas, through investments, supporting basic infrastructure and helping the government on developing laws and regulations that allow entrepreneurs to create job and succeed in business. Also by simplifying business registration and licensing processes, facilitating the importing of vital goods, such as food and automobiles. The IFC is also helping to create the first united chamber of commerce providing organisational skills and business leadership to local entrepreneurs.⁹²

Foreign investments in natural gas and oil, minerals, and retailing fall outside of the scope of the Private Investment Law and are handled through various resolutions or regulations. In the case of

As for domestic investors, the certificate costs 447€. There is a facility to be registered as a domestic investor although the amount of money both domestic and foreign investor must pay to have the Certificate is not significant and neither have any impact in the innovation process.

Even though international business companies and investors have the equality of rights, there are few sectors including manufacturing that are of particular value to the National

⁹¹ <http://www.state.gov/e/eb/rls/othr/ics/2012/191249.htm>

⁹² http://www.ifc.org/wps/wcm/connect/region_ext_content/regions/east+asia+and+the+pacific/countries/ifc+in+timor-leste

	<p>foreign investments that are of particular value to the national development strategy, the option of a special investment agreement is available; such an agreement must be authorized by the Council of Ministers and provides the possibility of tax reductions or exemptions, customs incentives, leases of state property, and up to a 100-percent cost sharing in the training of employees.⁹³</p>	<p>Development Strategy that may benefit from more incentives as for instance taxes and customs. Moreover, the sectors of natural gas and oil, minerals and retailing have different regulations which might impact innovation considering the manufacturing sector in general.</p>
<p>Trade</p>	<p>Timor-Leste is not a member of the World Trade Organization (WTO), so does not have any obligations under the WTO's Trade Related Investment Measures provisions.</p> <p>It is pursuing membership in the Association of Southeast Asian Nations (ASEAN)</p> <p>Timor-Leste is ranked number 173 out of 189 countries in the World Bank's Ease of Doing Business Index (2016)⁹⁴. Moreover, in the specific component called <i>Trading Across Borders</i>, the country is ranked in 92nd position.</p>	<p>The average position indicated by the World Bank has a very negative impact in attracting foreign investment, for the economic development and innovation process in general. Although if considering only the position in the specific component of Trading across borders, Timor-Leste is ranked at 92, which indicates a better position when comparing to the overall rate of the country.</p>
<p>Training</p>	<p>The country presents some training programs lead by The Secretariat of State for Professional Training and Employment (SoSPTE):</p> <p>In 2008, the Government created the FEFOP (Fund for Employment and</p>	<p>These measures are positive for innovation in manufacturing sector because it is a long-term investment in the increasing of qualified personnel available to compose companies' teams –considering both general skills</p>

⁹³ Ibid.

⁹⁴ Ibid.

Professional Training) that supports development and specific sector initiatives to generate immediate qualifications such as for instance employment through professional construction, electricity. training, entrepreneurship training, partnerships with micro-credits institutes, on-the-job training and support to their first job.

The National Center for Employment and Professional Training (CNEFP) develops training in the areas of construction, carpentry, electricity, plumbing and masonry. The National Center for Industrial Learning (SENAI) also focus on training in the same areas but also in information technology, sewing, industry, bakery and hydraulics.⁹⁵

**Research
and
Development**

No resources found.

Standards

Timor-Leste does not have a national standards organization.

There are no requirements for product certification.

Timor-Leste does not have a national testing organization or conformity assessment body.

The National Agency for Academic Evaluation and Accreditation (NAAAA) certifies the credentials of institutions of higher learning⁹⁶.

There are no conformity or standards regulation in the country. It is not proved the relation between innovation development and the presence of standards, although this might be a concerning point for foreign investment In the country, thus harming the business development process in general.

⁹⁵ <http://dfat.gov.au/about-us/publications/Documents/timor-lestes-training-employment-support-design.pdf>

⁹⁶ <http://www.state.gov/e/eb/rls/othr/ics/2012/191249.htm>

Procurement

Decree Law sets out the procurement processes which must be carried out by government officers when purchasing goods, services or works on behalf of the Government of Timor-Leste.

The Ministry of Finance has developed a series of guides outlining the process and required documentation and has made the Procurement process available online.⁹⁷

The regulation body on procurement process is positive in terms of transparency and facilitates the access to foreign participation.

Intellectual Property

Timor-Leste does not have any regulation protecting intellectual property rights and neither is a part of an international agreement or programme in this area.⁹⁸

The lack of regulation for property rights affects negatively the development and protection of innovation because of the lack of certainty to access property rights of the innovations in course.

⁹⁷ <http://dfat.gov.au/about-us/publications/Documents/timor-lest-training-employment-support-design.pdf>

⁹⁸ <http://www.state.gov/e/eb/rls/othr/ics/2012/191249.htm>

24.16 Tonga

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
Investment	<p>The Government of Tonga welcomes business and investors, considering investment incentives such as:</p> <ul style="list-style-type: none">-- Guaranteed long-term space and land leasing in the Small Industries Center, a 12-acre industrial estate, located about one kilometer from the center of Nuku'alofa;-- Residential and work visas for foreign investors and their families for as long as the enterprise is in operation;-- Priority for electricity, telephone, and water connections. <p>Technical and promotional assistance from the MLCI is available to help prospective investors identify, evaluate and set up industries. Once a business license is obtained, the business can operate.</p> <p>Although the Foreign Investment Act specifies activities reserved for local businesses and included a list of these activities, the government allows full ownership by a foreign investor in cases where manufacturing activities use imported raw materials for export, or where the investments are too large for local investors. Projects are considered</p>	<p>This list of facilities and incentives for foreign business investor is positive for the attraction and development of investment – consequently also to innovation in different economic sector, such as manufacturing.</p>

on an individual basis.⁹⁹

Both foreigners and domestic investors have equal rights for incorporating/establishing entities. Foreign investment legislation contains a list of 13 business activities reserved solely for Tongans and a separate list of business activities open to foreign investors under restricted conditions. Activities not identified on either list are open without restriction to foreign investors. Both foreigners and domestic investors have equal rights for incorporating/establishing entities. The Government of Tonga welcomes Private Sector investment in all sectors of the economy, and believes there are areas of great comparative advantage for Tonga in these sectors: *Tourism, Agriculture and Fishing sectors.*

Considering government definition of economic advantage areas for the country such as tourism, agriculture, fishing, manufacturing and construction, it is positive for development innovations in these sectors, also counting with government support. There are some restrictions for foreign investment in 13 specific local business activities, although these areas doesn't seem to affect the development of innovations in the manufacturing sector from foreign investors. Moreover, considering this local business sectors they may be facilitated by the government when considering the innovation development, thus being a positive effort for both national and international investors and business ventures.

Government will encourage investment in these areas to the fullest extent possible. An opportunity also exists in Manufacturing and the Construction industry.¹⁰⁰

The list of 13 business activities reserved solely for Tongans accomplishes: taxis, passenger vehicles for hire, used motor vehicles dealers, retailing activity which consists of the distribution of grocery products (food

⁹⁹ <http://www.state.gov/e/eb/rls/othr/ics/2012/191251.htm>

¹⁰⁰ *Ibid.*

and household provisions), wholesaling activities, baking of white loaf bread, Tongan cultural activities, raising of chicken for the production of eggs, security business, export of green and mature coconut, wiring and installation of residential commercial buildings with capital investment of less than 447.243€, production/farming of specific products and fishing activities.¹⁰¹

Trade

The Tonga Chamber of Commerce and Industry (TCCI) was incorporated in 1996 and is Tonga's National Private Sector Organisation (NPSO). Tonga became the 151st member of the WTO in June 2007. The Tonga Chamber of Commerce and Industry (TCCI) endeavors to represent the interests of its members, Private Sector businesses, and to promote economic growth in the Kingdom of Tonga.¹⁰²

Tonga is the 78th ease to do business economy according to the World Bank international ranking in 2016.¹⁰³

The intention is to support trade and rules for investment and organize the private sector activity, both in order to regulate, promote incentives, reduce uncertainty and support the innovation process in general.

The ranking position of the country is a reflection of the regulation efforts employed by the government in developing a strong economic system and structure.

The Ministry of Commerce and Tourism is the main governmental body concerned with industry, the labour market and consumer rights. Several sub-sections of the ministry deal with industry and manufacturing, working to

The role of the Ministry is to support business development and investment and supported by other government based agencies it facilitates the growth of key business sectors for the Country by funding and building conditions to

¹⁰¹ <http://www.mcti.gov.to/wp-content/uploads/2015/08/ForeignInvestment-Regulations-2006.pdf>

¹⁰² <http://www.state.gov/e/eb/rls/othr/ics/2012/191251.htm>

¹⁰³ <http://portugues.doingbusiness.org/Rankings>

promote investment and industrial development in Tonga. business operations such as tourism, agriculture, forests and fisheries.

A government-operated industrial estate called the Small Industries Centre offers a range of established factory facilities for various industries. In general Tongan governmental agencies with the help of donor nations hope to diversify the Tongan economy by focusing on the growing private sector in Tonga. They aim to develop tourism, increase agricultural productivity and revitalise key industries. Forests and fisheries are two of the major prospects; the tuna supply in surrounding waters is plentiful and old coconut trees are a potential source of lumber. The construction sector is also growing due to aid money and remittances from Tongans abroad.¹⁰⁴

Training

The Tonga Business Enterprise Centre (TBEC) is a nonprofit business development facility established to Empower and Support Tonga's private sector businesses by providing business advisory and mentoring resources supported by business development tools and an annual calendar of training focused on the needs of private sector. TBEC is a facility of the Tonga Chamber of Commerce and Industry (TCCI).¹⁰⁵ These training sessions despite the fact that are annually developed, are of great importance to facilitate the qualified people in private sector and also affecting their innovation potential.

¹⁰⁴ <http://www.commonwealthofnations.org/sectors-tonga/business/>

¹⁰⁵ <http://tbec.to/>

Research and Development	No resources found.	
Standards	Tonga does not have a standards certification bureau and is not a subscribing member of International Organisation for Standardization. Tonga's principle economic standards and regulations span a wide range of sectors, including construction, aviation, food, education and environment. Building Code Regulations were introduced to Tonga in 2007 and the Food Act was introduced in 2010. ¹⁰⁶	Specific standards may apply to specific productive sector and it may affect the innovation in manufacturing sector. There must be developed clear standards in order to facilitate foreign investment, and thus to potentiate innovation development.
Procurement	All Ministries, Departments and Agencies of the Government of Tonga are required to undertake procurement in accordance with the Public Procurement Regulations (2015). ¹⁰⁷	Aiming at increasing transparency and stability as well as a more equal participation condition is positive for the business development and the innovative process in general.
Intellectual Property	Tonga has legislation protecting patents, utility models, designs and trademarks. Although there are counterfeit products are available on the local market. ¹⁰⁸	There is a body of legislation that secures ownership and the general innovation process even though enforcement might be weak. Those regulations if implemented are likely to have a positive effect on investment decisions.

¹⁰⁶ <http://tbec.to/>

¹⁰⁷ <http://www.finance.gov.to/?q=procurement-publishing>

¹⁰⁸ <http://tbec.to/>

24.17 Tuvalu

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
Investment	<p>The Ministry of Finance regulates the business conduct of the National Bank of Tuvalu. Foreign investment is welcomed in Tuvalu and is legislated by the Foreign Investment Facilitation Board (FIFB) under the Foreign Direct Investment Act of 1996. The board is overseen by the Ministry of Tourism, Trade and Commerce.¹⁰⁹</p>	<p>The FIFB is supposed to facilitate and promote foreign investment by providing incentives and supporting the business development and innovation process.</p>
	<p>The Tuvalu Trade and Investment Agency was established in order to help promote and develop sustainable businesses in Tuvalu. It also plays an integral role in approving foreign investors and trade promotions. This agency aims to improve the capabilities of the country's private sector in terms of enterprise, export and tourism development. There are investment opportunities in fields such as fishing and seafood processing, small-scale hydroponics projects, specialist IT services and tourism. The Development Bank of Tuvalu is another economic development agency which was established in order to provide financial loans for the long term economic and social development of Tuvalu in</p>	<p>For both foreign and domestic investment, the Tuvalu Trade and Investment Agency potentially affect the innovation process positively by promoting incentives to key sectoral industries, encompassing the manufacturing sector.</p>

¹⁰⁹ <http://www.commonwealthofnations.org/country/tuvalu/>

accordance with governments plans, programmes, strategies and priorities.¹¹⁰

Trade

The Tuvalu National Chamber of Commerce (TNCC) was established to promote an enabling business environment. There is no industry base in Tuvalu and most businesses are private sector organisations, which has led to most private sector members withdrawing from TNCC and establishing the Private Sector Organization of Tuvalu (PSOT). However PSOT is not recognised by the local government. TNCC deals mainly with business-related issues while labour and social issues are addressed directly by relevant government agencies.¹¹¹

The presence of a National Chamber of Commerce is positive to attract and to foster economic development and consequently the innovation process.

Tuvalu is member of the Pacific Islands Countries Trade Agreement (PICTA) which involves a commitment to reduce and eliminate tariffs amongst the 14 Pacific Forum member countries. Tuvalu is also a member of the Pacific Area Closer Economic Relations (PACER) initiative which includes Australia and New Zealand in addition to the 14 Forum Island countries.¹¹²

Regional cooperation may affect positively the development of innovation because of the increase reliability and responsibility in participating in such cross national organisations and agreements and because of the higher connectedness and possibility to attract foreign investment.

Training

No resources found.

¹¹⁰ Ibid.

¹¹¹ Ibid.

¹¹² Ibid.

Research and Development	No resources found.	
Standards	<p>Tuvalu is not a member of the International Organisation for Standardisation and accordingly there is no national standards bureau. Despite this, there are several regulatory bodies and organisations which help govern business relations, for instance, Tuvalu is a Member of the International Labour Organisation (ILO).¹¹³</p>	<p>There seems to be no guidelines or patterns for developing innovations in the manufacturing sector. Although for instance being a member of ILO positively affects the attraction of foreign responsible investment.</p>
Procurement	<p>The Tuvalu Central Procurement Unit (CPU) was established in 2014. It provides procurement policy review and technical advice to all procuring entities within then Government of Tuvalu and to undertake all major procurement needs of the Government through its line ministries.¹¹⁴</p>	<p>Aiming at increasing transparency and stability as well as a more equal participation conditions, it seems positive for the business development and the innovative process in general.</p>
Intellectual Property	<p>Tuvalu does not have its own independent registration system. Tuvaluan applications are based on a corresponding UK registration. Trade mark registration must be based on the corresponding United Kingdom registration which is simply re-registered in this jurisdiction.¹¹⁵</p>	<p>Foreign investors might be satisfied to obtain their patents in the United Kingdom where legislation is transparent and stable. Therefore, this legal situation might have a positive impact on innovation.</p>

¹¹³ <http://www.commonwealthofnations.org/country/tuvalu/>

¹¹⁴ *Ibid.*

¹¹⁵ <http://www.spruson.com/countries/sp/tuvalu/>

24.18 Vanuatu

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
Investment	The Vanuatu Investment Promotion Authority (VIPA) was established in the late 1990s to encourage foreign investment with an open and transparent investment environment. ¹¹⁶	The role of this organisation may positively influence the innovation process.
Trade	The Vanuatu Chamber of Commerce and Industry promotes entrepreneurship and business development throughout the country. The country has different sectoral organisations such as the Bankers Association, the Finance Centre Association of Vanuatu, the Vanuatu Hotels and Resorts Association, the Vanuatu Tour Operators Association, the Dive Operators Association (DOA) and the Vanuatu Organic Cocoa Growers Association. ¹¹⁷	The most organized and structured economic sectors are, the best they will facilitate economic growth and innovation.
Training	No resources found.	Vanuatu is ranked number 94 out of 189 countries in the World Bank's Ease of Doing Business Index (2016). Moreover considering the specific element of <i>Trading Across Borders</i> , Vanuatu is ranked at 134 th position. ¹¹⁸ This ranking reflects average position of 94 in the general ranking, although if considered separately, the specific element of Trading Across Borders is not good for the attraction of foreign investment, thus figuring in 134 th position.

¹¹⁶ <http://thecommonwealth.org/our-member-countries/vanuatu>

¹¹⁷ *Ibid.*

¹¹⁸ *Ibid.*

**Research
and
Development** No resources found.

Standards The main economic regulators in Vanuatu include the Financial Services Commission, the Telecommunication and Radio communication Regulator (TRR), Utilities Regulatory Authority (URA), the Civil Aviation Authority (CAA), the Ports Authority and the Accreditation and Standards section of the National Tourism Development Office.¹¹⁹ There are apparently simplified standards framework that facilitates investment, and it is consequently positive for the innovative process and for specific manufacturing sector counting on specific regulations by sectors.

Procurement No resources found.

**Intellectual
Property** The first intellectual property legislation was introduced into Vanuatu in 2000 and by 2011, laws covering patents, trade marks, designs, copyright, geographical indications and circuit layouts were passed. The majority, with the exception of trade marks and designs, are yet to come into force. The filing of patent applications in Vanuatu is currently in a transitional phase. A new Patents Act Bill has been passed in the Parliament. However, it has not yet been implemented. The new Act will likely remove re-registration of UK (EP) patents.¹²⁰ Intellectual property legislation is recent although it seems to promote a good environment to innovation development.

¹¹⁹ Ibid.

¹²⁰ <http://www.spruson.com/countries/sp/vanuatu/>

24.19 Wallis and Futuna

Topic	Summary	Review 1: Potential effect on innovation in manufacturing sector
	<p>Wallis and Futuna is heavily dependent on financial support from France – directly funding many services such as health, education and public service salaries.¹²¹</p>	<p>The lack of economic structure and the slow development stage of the country seems to affect negatively the attraction of investments, the business development and innovation.</p>
Investment	<p>The French Development Agency (AFD) is involved in Wallis and Futuna since 1964. It provides support for economic initiatives through:</p> <ul style="list-style-type: none"> • Bringing credit institutions an additional guarantee on the loans they grant; • Helping the population through microcredit efforts.¹²² 	<p>These organizations are most likely to support domestic small business initiatives that might include non-radical innovation.</p>
	<p>In 2007 a Code for Territorial Investments (CTI) was created which is a mechanism to help businesses to attend different aims such as:</p> <ul style="list-style-type: none"> • Focus on economic, social, cultural and territorial development; • Creation of new job offers; • Tourism development; • Integration of youth population in labour market.¹²³ 	<p>The CTI investment plan affects the economic development positively and might lead to the creation of a good environment for innovation.</p>

¹²¹ <http://www.wallis-et-futuna.pref.gouv.fr/>

¹²² Ibid.

¹²³ Ibid.

	<p>Wallis and Futuna is a member of the Secretariat of the Pacific Community (SPC) and the Pacific Regional Environmental Program (SPREP).¹²⁴</p>	<p>International cooperation agreements may positively affect economic development and consequently innovation.</p>
Trade	<p>Revenues come from French Government subsidies that directly finances the public sector and public services. It also provides funding for key development projects in a range of areas, including infrastructure, economic development, environmental management, and healthcare facilities.¹²⁵</p>	<p>The manufacturing sector might benefit from the French funding system, especially considering its general contribution to the economic development of the country.</p>
	No resource found.	
Training	No resource found.	
Research and Development	No resource found.	
Standards	No resource found.	
Procurement	No resource found.	
Intellectual Property	No resource found.	

¹²⁴ Ibid.

¹²⁵ Ibid.

25. Conclusion

The review of legislation in the Pacific Region presented the analysis of different elements that can affect innovation in manufacturing sector, namely investment, trade, training, research and development, standards, procurement and intellectual property, procurement and standards. There are differences in each country context and history that are directly related to the composition and strength of the regulatory body of each country. For instance concerning the research on Wallis and Futuna legislation it was difficult to find information of different sources and this could be explained because of the high dependence they have until today with the France government. Although on the other hand if we compare with Fiji, a more developed economic system and infrastructure, their legislation is in an advanced stage of complexity and coverage.

Especially concerning Research & Development subject, there were only few countries with a report on that matter thus indicating the need to develop legislation and support to this as these have direct relation to the innovation process.

Moreover, considering specifically the manufacturing sector, a relative weakness of this type of regulation is accomplished, because of the small size or economic expression of the manufacturing sector and considering the islands particularities. It is possible to conclude that the manufacturing sector presents a field for improving and building regulation as well as of entering the field more easily for foreign investment matters.

Finally it is possible to accomplish the role and degree that different economic and regulatory dimensions are affected by regulation, thus composing a general roadmap for policy makers and local of foreign investors to know where to develop, act and where it is considered to be difficult to do business and to develop innovations.

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